

FINANCIALTIMES

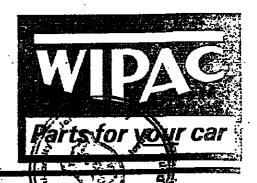


No. 29,844

Saturday February 1 1986

THE UNIVERSITY OF JORDAN ACC, NO. 58696

UK 40p U.S.A. 81.00 \$1.00 Bermuda \$1.50



WORLD NEWS

Martial law declared in Haiti

Haitian President Jean-Claude Duvalier appeared last night to be still in control of the Caribbean republic after declaring martial law in the face of antigovernment protests. He was believed to be in his palace in the capital, Port-au-Prince.

The US State Department withdrew earlier statements that the Government had collapsed and President Duvalier had fled the country. The White House said the situation remained unclear. Page 2

PM appoints Clark

Mrs Thatcher surprised col-leagues by naming Alan Clark, who has been a controversial Under-Secretary of Employ ment, as Trade Minister in succession to Paul Channon. Back

Sir Keith Joseph, Education Secretary, is likely to relinquish his Leeds North East seat at the next general election after nearly 30 years as an MP

Spanish to vote on Nato Spain's Socialist Government called a referendum for March 12 over whether the country should remain a member of Nato. Back Page

Aer Lingus plane crash

An Aer Lingus light aircraft. believed to have 23 on board. crashed last night near the East Midlands airport, Castle Donington, No deaths were

Funds plan for Uganda

Western governments are expected to commit millions of dollars in aid to Uganda under the leadership of Yoweri Muscveni who was sworn in as head of state on Wednesday. Page 3

US 'likely to aid Ulster' US ambassador to Ireland, Margaret Heckler, said she was confident Congress would approve aid to back the Anglo-Irish agreement on Ulster des-pite Washington budgetary constraints. Page 2

Belfast killing

A gunman killed Martin Quinn, 31, in hed at his home in Bawnmore Park, Belfast, Neighbours in the mainly Catholic area claimed the kiliing was sectarian.

IRA prisoner marries

1981 for at least 35 years for his | (£1.7bn) for the Turkish Air part in an IRA hombing campage in London was a possible order for a possible order for part in an IRA hombing campage in London was a possible order for paign in London, was married in Albany Prison, Isle of Wight

S. Korean kidnapped

kidnapped by gunmen on his way to work in Moslem-held West Beirut, bringing the total of foreigners held by kidnappers in Lebanon to 14.

Caroline all at sea

Pirate radio ship Radio Caroline broke its North Sea anchor in SANKO STEAMSHIP, world's gale force winds and drift d to- largest tanker operator, which where it could have been 1500hn, should start taking arrested. Sheerness and Classicips for a financial reconton lifeboats helped it centers struction, a Tokyo court has

Sikh not to appeal

Satwant Singh, the Sikh bodyguard condemned to death for murdering Indira Gandhi, does not want to appeal against his sentence, his lawyer said. Two co-defendants plan to appeal against their death sentences.

Arthur Sandies

thanksgiving service for Arthur Sandles, Leisure Editor of the Financial Times, Church, Fleet Street at noon on Monday, February 10.

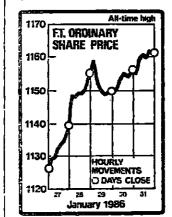
BUSIRESS SUMMARY

Systime and **DEG** settle £5m suit

SYSTIME, once a high flyer among British mini-computer companies, has sold a sub-stantial part of its business to Digital Equipment (DEC) of the US in settlement of a £5m suit for alleged illegal copying of computer equipment.

The Leeds-based group, formerly the UK's second largest computer group with annual sales of £56m and more than 1.100 staff, will be reduced to an annual turnover of £12m-£15m and fewer than 400

LEADING STOCKS continued to soor to record levels with a change of sentiment over inter est rates and a steadier trend in North Sea oil prices continuing to push up the market. Equity market interest has re-



cently switched from blue chip ssues to a wide range of speculative situations. However, the FT Ordinary share index closed for the second consecutive session at a best level ever of 1.161.0.

STOCK EXCHANGE has ruled that US helicopter maker Sikorsky, which is seeking to rescue Westland, cannot raise is stake in the UK company beyond the present 9.9 per cent in an attempt to secure a simple majority of votes at a share-holders' meeting on February 12. Sack Page

JAPANESE Prime Minister Yasuhiro Nakasone hinted that Japan might need to reduce its discount rate again to promote domestic demand and cut external surpluses. Page 2

PANAVIA officials heading the consortium that makes the l'ornado strike aircraft are due in Turkey on Monday for negotiations on a possible order for

G. D. SEARLE AND CO has to a woman thought to be from withdrawn two types of contra-Belfast. replive device with annual US sales of about \$11m (17.8m) from the US market because of A South Korean diplomat was hidraged by gunger on his bare been the target of 775 lawsuits since 1974.

> ALEXANDERS chief executive Michael Tod-hunter resigned after a dis-accement over policy at the leading City discount house.

Back Page fargest tanker operator, which wards UK territorial waters harded last August with debts of

ruied. Page 11 BMW, West German car maker,

to coing ahead with a "technical offensive" to bolster its strength in the next few years.

ARGYLL GROUP chairman James Gulliver said that 1,000 jobs could be at risk if the harced takeover of Distillers, the drinks group, by Guinness goes ahead. Page 10

WAGES BILL, which aims to abolish the wages council, repeal the Truck Acts and abolish payment of redundancy relate to companies with 10 or more employees was published by the Government. Page 6

MARKETS

New York lunchame: DM 2 3905 FF: 7,3240 SF: 2,9270 Y192 40 DM 20300 (20700) FFr 7.8125 (72925) SFr 20270 (20200)

Y192 75 (193.0) Bollar index 1234 (125.1) Tokyo elose Y192.65 US LUNCHTIME RATES Fed Funds Sco

3-month Treasury Bills: yield: 7.17% Long Bond: 105-2 vield: 9.32%

New York: Comex Feb latest London: \$349.625 (\$357.75)

STERLING New York lunchtime \$1.4120

London, SL4130 (1.410) DM 3.3750 (3.3550) UFr 10.3325 (10.2825) SFr 2 8650 (0.8475) Y272.50 (272.25) Sterling index 74.6 (74.4) LONDON MONEY

U-mentir interbank: chaing rate 127% (1215) O-month eligible bills: buying rate 12 19/64% (same) STOCK INDICES

FT Ord 1,161.0 (+4.6)
FT-A All Share 696.41 (+0.4%)
FT-SE 100 1,435.0 (+5.9)
FT-A long gilt yield index:
High coupon 10.67 (no change)

New York lunchtime: DJ Ind Av 1,570.41 (+18.23) Nikkei 13.024 00 (+75.26)

Chief price changes yesterday Back Page

CONTINENTAL CELLING PRICES: Austria Sch 27. Selgium SFr 45: Denmark Dar 3 Februar Fr 6:00 VV German PM 2:00 Indiant Fra Traly 11.500. Malts 30: Networkands 6: 2.75 Norway Na. 7:00: Portuger Lo.: 50. Spain Pts 123. Sweden

PRESIDENT Ronald Reagan is always at his best in the rule of the nation's comforter —and so it was yesterday, writes Reginald Dale

At a simple, open-air Vovagers."

month at a Kentucky cere-mony honouring the 248 air-borne soldiers who died in the Gander, Newfoundland, air crash.

With a light breeze rustling his increasingly grey hir, Mr Reagan passed among families of the shuttle crew, shaking hands with the men, embracing the women and kissing children.

Yesterday, however, the emotion was even more intense. Most Americans felt they had lost a personal

friend in Mrs Christa McAuliffe, the 37-year-old aboard the Challenger, when

including two women—one Jewish—a black and a Japanese American. Overnight, vast quantities of flowers arrived at the space centre, including many single, anonymous roses.

On these occasions, Mr Reagan is well served by his gift, refined in Hollywood, for communicating emotion. The obvious sincerity of his feel-

Continued on Back Page US shuttle programme, Page

Shuttle debris, Back Page

governments to consult officials

cial said the tadks were amic

volves setting up a company to

ton stockpile and its £900m

FILMS

Nigel Audreus, FI cinema cratic, goes to Hollywood to find that show business has become slow business in the morie business. Page I



FINANCE

Four City experts recent a financial strategy for to the Page VI



DIVERSIONS

City slickers, younger ones, threat start sleek is chie in men! fashion in 1986. Luciu ini. der Post meets the Brycreem boomerong as it returns.

Page XVIII



BOOKS

Shakespeare's lost plan? And if Shakespeare didn't write it, who did? John reviews a new volume of arguments.

Page XVII

Reagan comforts US in tearful Challenger service

memorial service in Houston, a drawn but dignified Mr Reag ntried to reconcile Americans to the loss of the crew of the space shuttle Challenger —whom he Challenger —whom he described as "our seven star At midday in bright

BY ANTHONY ROBINSON IN CAPE TOWN

tory council" to be chaired by

tion, business and other areas.

Mr Anatoly Scharansky, and a

South African army officer, Captain Wynand du Toit, cap-tured during an abortive com-

installations in Cabinda last

newspaper service income.

International claimed full pdint

runs of The Times and the Sun

on Thursday night for the first

time since the company moved production to its plant at Wap-

ping, east London, and said dis-

tribution by road was continueg

drive to persuade its members

families, you don't deserve to be called trade unionists."

became more deeply embroiled prices.

to improve daily.

He also offered to release Mr

exchange for two Soviet dissi-short-ter dents, Dr Andrei Sakharov and August.

BY DAYID BRINDLE AND HELEN HAGUE

terday sought to regain the ance last night on the special political initiative at home and state-run television networks

the confidence of bankers aimed at black viewers. He said: abroad with a programme of "My government wants to hear

social, economic and political your views. It wants to speak

reforms for South Africa to be enacted in the coming months.

Declaring that South Africa dication to the future of our

had "outgrown the outdated country."
concept of apartheid," Mr Botha
offered blacks an advisory role bank creditors on both sides of

in the legislative process the Atlantic was that the re-through a new "national statu- forms proposed by Mr Botha

He also promised to abolish scale rescheduling of the "influx control" curbs on the country's foreign debt.

They said the reforms would

create "a new framework for be unlikely to satisfy pressure equal opportunities" in educa- groups, particularly in the US.

Nelson Mandela, jailed African last year, provoking the im-National Congress leader, in position of a moratorium on

mando raid on Angolan oil ing of debt caught up in the

May. First reactions to the speech Mr Botha followed his speech from South Africa's business

of Mr Rupert Murdoch's News the dismissal of four Sun

However, Sogat '82, the print BBC Radio 4 yesterday, indi-union, yesterday launched a cated that News International

drive to persuade its members husiness would stay with road in wholesale distribution in the hauliers "so long as whole-provinces to refuse to handle salers can maintain this service

News International newspapers. to us" because Sogat's attitute

Ms Brenda Dean, the union's made a return to rail look general secretary, told a meet-impossible.

general secretary, total a missing of members in Manchester:
"If you walk away from your directly and a further 500 in part on newspaper distribution, loss of the News Inter-

At the same time, the the business of carrying news-National Union of Journalists papers unprofitable at present

third of BR's £30m annual transfer to the new plant.

Centre, scene of many past celebrations of American space triumphs, Mr Reagan sought to draw the nation together. "Across Aemrica, we are reaching out, holding hands, finding comfort in one another,' 'hes aid, in a eulogy to the dead astronauts.

He and hi wife Nancy went through the tearful routine which has been repated after a string of national losses in the past two years-most recently last

Botha reforms offer

blacks advisory role

PRESIDENT P. W. Botha yes- with an unprecedented appear- and white reformist leaders

were insufficient for them to

drop their opposition to a full-

which had caused banks to start

withdrawing short-term credit

short-term debt repayments in

However, the speech con-

tained notlung new to stand in

the way of their considering an informal short-term restructur-

BRITISH RAIL warned yester- in the Wapping dispute when Ms Dean. meanwhile, day it would review its news- its national executive commit- criticised the union's members

lows the switch from rail to road of News International

titles in response to Sogat action in London. This has

coincided with negotiations between BR and the company on the renewal of its contract,

Mr Murdoch, interviewed on

said loss of the News Inter-national contract "would make

worth about £10m a year.

The alert over BR's news- need it," she said.

paper distribution business fol- Her rallying call

moratorium, they added.

News trade loss worries BR

were guardedly positive. Dr Jan

Steyn, a former Supreme Court

judge and chariman of the

business-backed Urban Founda-

tion, said the speech "created a philosophical framework in which enlightened South

Africans could feel comfortable. But everything now depends on the speed of implementation

and the detailed content of the

legislation announced thus far

Mr Alfred Nzo, genral secre-tary of the ANC, said in Lusaka, Zambia, that the proposed exchange of Mr Mandela was "irrelevant." Dr Beyers Naude,

secretary-general of the South African Council of Churches,

said Mr Botha had " lost his last

chance to create a new future

In contrast to the panic reaction and sharp fall in the

rand which followed Mr Botha's

speech on August 15—his first attempt to promise reform—the

rand closed unchanged at 43.80

Continued on Back Page

Details, Page 2; EEC and

hlack leaders, Page 2; Johannesburg stocks, Week-

International titles.

an interim interdict.

Mandatory chapel '(office branch) meetings of NUJ members working at Wapping

will be held next week, off the

premises. The union is to in-

struct its members not to cross

NUJ picket lines which will be

placed outside the plant in

support of the dismissed Sun

journalists. However, a move to instruct all News Interna-

tional NUJ members to strike

Getting off the hook over Wapping, Page 6: Man in the News-Eric Hammond, Page 8

was lost 9-10 at the executive

London

meeting.

last Monday and

for the whole of South Africa.'

only in outline."

country's school children.

multi-racial American society,

Mr Reagan described as "a teacher, not just to her students, but to an entire people." Yesterday was the day she had planned to broadeast a lesson from space to hundreds of thousands of the In contrast to the largely

unknown soldiers honoured in Kentucky, the shuttle crew represented a microcosm of

Tin traders face solvency pledges

BY STEFAN WAGSTYL

TRADERS on the London representatives and creditor Metal Exchange, battling to brokers and banks have been cope with the three-month-old adjourned until tin crisis, have been asked to This will allow delegates from confirm that they are still the council's 22 member

Mr Jacques Lion, board chair- at home.
man of the LME, the leading Even so. Mr Mike Metcalfe, a metals market, has asked the director of Holco Trading, who 26 ring-dealing members to attended the talks, said he was assess the tin market and glad that negotiations had declare, by Wednesday, whether they can meet their commitments. Wednesday, at least s meet their started at least. A council offi-

Mr Lion issued his request able. yesterday as the long-awaited Discussions focus on a broker negotiations between the International Tin Council, its creditor banks and metal brokers at take over the council's 85,000 last got under way, and as the ton stockpile and its £900m exchange's authorities extended gross liabilities, and the suspension of tin trading for another week to allow more

The creditors are time for the talks.

The tin market has been suspended since October 24, when the council, which administered an inter-government price support pact, ran out of money. Thirteen LME brokers face

losses on tin council contracts worth about £550m. The size of their loss will depend on how far tin prices fall below the suspension price — £8.140 a tonne—when the market re-

At £5,500 a tonne, the brokers could lose more than £200m, or an average of more than £15m each. This compares with an Meanwhile, fresh signs have average net worth of less than emerged of the damage the £10m each for exchange com- suspension of tin trading is panies, according to brokers' calculations. Brokers said some companies

paper distribution business if it tre declared an official dispute in Manchester for continuing to failed to win back the custom with News International over handle the "blacked" News have calculated that they will be solvent, even if they pay for their tin purchases in full and value their tin holdings at nil. International, worth about one-journalists who refused to don't support your own kind, no one will support you when you Uncertainty surrounds other rading companies, however. defiance of an injunction against | Most Sogat's blacking campaign, issued in the High Court in matched in Scotland vesterday by the award in the Court of Session by Lord Sutherland of

Metals, has gone into liquida-tion during the crisis. After the opening round yesterday, talks between tin council

traders are limited tinue to price their purchases liability subsidiaries of large on the LME. A meeting of the financial, mining and metals International Wrought Copper groups. There are doubts as to Council, made up of fabricalors whether all parents will stand in the EEC and Japan, is underby their LME companies. So stood to be planned for the far, one exchange trader. MMC week after.

A deal will not come quickly.

gross liabilities, and to sell the The creditors are ready to put £70m capital into the new company and want £200m from governments. Most time council members say £200m is too much

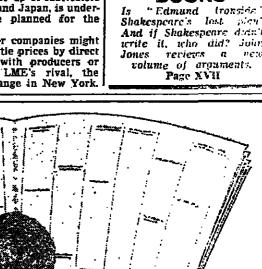
but they have yet to make an agreed counter-proposal. There are great differences within the council, among exporter governments (led by Malaysia, Indonesia and Thai

land) and among importer governments, which include Japan and EEC members. Many want to press the UK to contribute more to a rescue in view of its special interest in the LME.

causing the exchange as regards other metals, because clients are reluctant to deal with brokers which might collapse.

UK copper-fabricating companies, belonging to the British Non-Ferrous Metals Federation, are to meet on Thursday to debate whether they can con-

The copper companies might decide to settle prices by direct negotiation with producers or go to the LME's rival, the Comex exchange in New York.



Extel rejects Demerger bid

EXTEL GROUP, the business and sporting information com-pany, rejected yesterday an audacious £173m takeover bid business in the increasingly from Demerger Corporation, a competitive market for comnewly-created company whose backers are not well known in

the City.
If its bid succeeds, Demerger five companies. It would manage and take a 15 per cent stake in the core financial and business information activities. The printing, advertising and public relations, publishing and computer systems opera-tions would be hived off as

independent companies. Mr Alan Brooker, Extel "It is difficult hairman said: to take this bid seriously." Mr Peter St George, of Extel's merchant bankers, Hill Samuel, described the bid as "a pack of

Mr Peter Earl, the corporate finance specialist in the Demerger team, said a break-up of Extel would allow its finan- a bid backed by institutions or cial and sporting information a straightforward takeover bid. activities to obtain a higher rating in the City.

The company could devote in New Demerger Corporation more management time and which would own Extel's infor-moncy to developing its mation business, one 1p share puterised information. Mr Earl, 31, set up his own

corporate finance firm, Ifincorp, If its bid succeeds, Demerger Earl last May with Middle intends to break up Extel into East backing after a career in merchant banking. His fellow directors in Demerger include Mr Michael Rhode, the chairman, who is joint founder of a computer

software firm, Skynet, and chairman of Finlan Group, the construction and property company. Mr Colin Movnihan, Conservative MP for Lewisham East, and Mr James Adams, assistant

editor of The Sunday Times, are non-executive directors. Mr Earl said the Demorgor plan would allow Extel shareholders to retain most of their holding in Extel, in contrast to

in each of four new companies to take over Extel's other busi-nesses, and 205p norminal of 7 cent unsecured New Demerger loan stock. Demerger plans ultimately to float off the four non-core busi-

nesses on the Stock Exchange. The offer values Extel's information business at £88m, the other businesses at £85m and the entire company at 409p a share.

Exter's shares rose 15p to 395p yesterday. They have been buoyed by takeover speculation in recent months, most of which has centred on Dr Ashraf Marwan, son-in-law of the late President Nasser of Egypt. Dr Marwan has build up a holding of 10.9 per cent in Extel. Demerger said it had not been in contact with Dr Marwan

before it launched its bid. It owns 1.01 per cent of Extel. Details, Page 10; Lex, Back Page

For every 25p Extel share Demorger offers two 10p shares CONTENTS "

The US shuttle programme: not necessarily the best way to supremacy ... Vian in the news: Eric Hammond . Editorial comment: tax rules and trade rules
The Pope: a rough passage to India The Mafia: in the village of the god-

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fathers

Bidg Soc Retes ... S ANNUAL STATEMENTS

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INTERNATIONAL²

حكذا من الاصل

EEC proposes official links with Comecon

BY PAUL CHEESERIGHT IN BRUSSELS

relations between eastern and interest in closer relations with twestern Europe emerged yester-the Community expressed by day with the disclosure that the European Community is prepared to negotiate with Comecon, the east bloc, on establishing official relations.

Mr Willy de Clercq, the Community's external relations commissioner, yesterday handed ictter to the Romanian ambassador in Brussels, specifying that the Community is ready to start talks that could lead to a joint declaration.

.... He was acting through the Romanian ambassador because Romania is the president of

- Last September, Mr Viatcheslaw Sytchov, the secretary of Comecon, proposed a joint declaration which would estab-lish official relations with the Community within their respective fields of competence."

The Community is also sending letters to the seven Euro-pean members of Comecon—the Soviet Union, East Germany, proposing "a normalisation of relations." This means, in effect, that technical trade agreement. Poland. Czechoslovakia. Hun- munity is not prepared to drop with these countries should be supplemented by diplomatic with the Comecon, the practical

The Community moves fit into probably be confined to areas the pattern of more relaxed like environmental protection, east-west relations apparent in standards and the exchange of the Reagan-Gorbachev summit, statistical information,

SIGNS OF a further thaw in They follow an expression of silence since 1981.

In the past, Comecon has sought trade agreements with the Community but has always been rejected because it has no common commercial policy. The Community has preferred relations with individual countries in the bloc, hoping that there would be some breaking

of the ranks. Mr Sytchov's September letter, effectively limiting Comecon aims, recognised the difference between the Community and Comecon and effectively broke this deadlock so that the Community is now ready, in Mr de Clerq's words, "to resume the

The Brussels view is that an improvement in economic and political relations can only take place on a global basis—the Community shares the Comecon desire to have official relations

so it is now ready to talk.
At the same time, the Comtance of any future relationship areas of co-operation would

Commission looks to tourism for job creation

THE EUROPEAN Commission munity. would like to set itself up as The Commission has sought to a tourist guidebook publisher, develop what it calls an action is well as standardising infor- programme for tourism in mation provided to travellers about hotel categories.

These are two of a multitude of proposals published yester
A draft resolution committing European Community action in staggering of annual holidays. the tourism sector, which O A draft recommendation to accounts for around 4 per cent standardise information conof Community gross domestic cerning hotels. product and absorbs some 7 per O A draft decision setting up a

ection is the potential for job people throughout the Com- making an effort.

The Commission has sought to response to requests made by the Council of Ministers in 1984.

lay by the Commission for the member states to seek more

cent of private consumer method for the member states spending. to consult each other on tourism What attracts the Commission matters when action in one to tourism as an area for joint could have an effect on another.

Should these be adopted then restion at a time when other a decision would bind the ectors are shedding labour, member states to action, while employment in the the resolution and recommendaindustry is already put at 5m tion would be a commitment to

MARKS & SPENCER BUDGET ACCOUNT INTEREST RATES

THE RATES OF INTEREST CHARGED ON BUDGET ACCOUNT STATEMENTS PRODUCED ON OR AFTER 10th FEBRUARY 1986 WILL BE 2.4% PER MONTH (APR 32.9%) VARIABLE, IF PAYMENT IS MADE BY STANDING ORDER, OR 2.7% PER MONTH (APR 37.6%) VARIABLE IF PAYMENT IS MADE BY OTHER MEANS.

THE INTEREST RECEIVED ON CREDIT (POSITIVE) BALANCES WILL REMAIN THE SAME.

MARKS & SPENCER BUDGET ACCOUNT IS WITH THE BANK OF SCOTLAND THROUGH ITS SUBSIDIARY NORTHWEST SECURITIES LIMITED, NORTHWEST HOUSE, CITY ROAD, CHESTER CH1 3AN.

YOUR ATTENTION PLEASE

The Royal Star & Garter Home cares for severely disabled ex-Servicemen and women of all ranks from all parts of the country. We rely on public support, so please help by sending a donation or preferably asking for a covenant form. You might also like to remember with a legacy those to whom we owe so much.





Questions Confusion reigns over 'collapse' of Duvalier regime

CONFUSION reigned in Wash-Haiti in the wake of a Statement by Larry Speakes, the saying that the Government of Haitian President for life Jean-Claude Duvalier had By Terry Dodsworth in New York collapsed and that he had fled the country.
Within hours of the White

THE FUTURE of an estimated \$1bn (£708m) worth of assets owned by US oil companies and engineering groups in Libya remained uncertain last night the presidential jet Air Force One carrying Mr Reagan to Houston, it was contradicted by as the Reagan Administration prepared to apply its order for an American withdrawal from news agency reports from Haiti itself. These said that President Duvalier had gone on national radio to deny reports the country.
The Government instruction

to US corporations and private citizens, announced earlier this month after terrorist attacks on Rome and Vienna airports, is due to come into effect today in retaliation for what the White House regards as Libyan sup-port for terrorism. Large numbers of the 1.500 or so US citizens working in Libya have already left the country.

hang over

US assets

in Libya

Most US companies involved in Libya have also suspended their activities since the order was made by President Reagan. But the Administration is still grappling with the problem of what to do with the assets of the US companies in order to prevent a windfall profit to the

regime of Col Muammer Gadaffi. An official in Washington said vesterday that the Government was trying to prevent any benefit falling to the Libyans from the substantial US capital that had been invested in the company. "This applies to oil con-cessions and income streams as well as directly owned assets," he said.

There have been suggestions in the US press that the Administration might allow the transfer of US assets, either to overseas subsidiaries or other companies, but officials would give no detailed account of how the US Government would eventually resolve the issue. In the meantime, around five small businesses which have found themselves in particularly difficult situations have received temporary licences to continue their operations.

While about 50 US companies are believed to have been working in Libya when President Reagan announced his sanctions. By far the most significant are four oil companies — Occiden-tal. Amerada Hess. Marathon, the US Steel subsidiary, and Conoco, owned by Du Pont,

All of these groups, which are reckoned to account for above a day of oil produced in Libya, say they have now stopped lifting crude from the ports and have brought home US person-

nel if they had any. But the US companies, whose main activities are concentrated in Oasis Oil, a group in which the Libyan Government has the majority stake of almost 60 per cent, conceded that the Libyans could continue to pump oil with-out their help. All of them had only a token number of US personnel directly employed in

the Libyan business. The other large US interest is in Libya's ambitious \$20bn irrigation project, on which the main contractor is Arown & Root, the Texas construction company owned by Hallihurton. Brown & Root is reported to be handling the operation through its UK subsidiary, and it is not clear how that arrangement will be affected by the Administration order.

Reuter adds from Rome: Italy's state oil group (Ente Nazionale Idrocarburi ENI) said it was not taking crude oil from US companies in

Questioned about reports saying US companies operating in Libya were "lending or selling" production nations, ENI said it was not involved in any such transac-

Mr Speakes cited reports from the US embassy in Haiti as the basis for his statement adding that US officials were informed shortly before 7.30 am yesterday that the Haitian Government had collapsed. Mr Speakes said the US was monitoring the situation closely but that it did not know the whereabouts of President Duvalier or

his cabinet. Two hours later, Mr Speakes added a more uncertain com-ment that the situation in Haiti was "not as clear as we first thought it was."

that he had fied.
"Since early this morning The US interest in Haitian developments springs from the country's important strategic there have been rumours that I left the country...this is not position in the Caribbean and true. I am strong and power-ful as a monkey's tail" Presiits common border with another ful as a monkey's tail " Presi-dent Duvalier was reported as Republic.

cut back aid to the poorest nation in the western hemis-phere because of human rights

The New York Times yester-day quoted US officials as saying the State Department would announce the decision formally in a few days. It said the Haitlan Government had been informed that it would not receive \$7m of direct aid included in the total of \$52m of support that had been earmarked for

Since 1982 Congress has required the State Department to certify that Haiti is making procertify that Haiti is making progress towards democracy and improving its human rights record as a condition for an un-

Indications of the collapse of the Haitian Government coincided with reports in Washington that the US had decided to that the US had decided to that they had made "a continuous to the collapse of the colla scious decision to push Duvalier out."

Robert Graham adds: The wave of popular protest in Haiti against President Duvalier appears to have acquired the same unstoppable momentum that brought to an end the other last dynasty in the region, the Somazas in Nicaragua. Sectors of the population are believed close to starvation and

many food warehouses have been ransacked. Unemploybeen ransacked. Unemployment of nearly 50 per cent has been swelled by a decline in tourist earnings due to scares of

life and has not been ideo-logical. The army has also appeared divided about precisely what role it should play. This may account for its desire to have a provisional govern-ment that also includes

The US Government has been closely watching events. Haiti which forms part of the Island of Hispaniola with the Dominican Republic, controls the strategic Windward Passage overlooking Cuba.

Serious unrest in Halti with its 5.5m population could spill over into the neighbouring Dominicar epublic. The latter has closed its borders against an influx of Haitian refugees

Nakasone hints at reduced discount rate

BY JUREK MARTIN IN TOYKO

Mr Yasuhiro Nakasone, the need to reduce its discount rate again in order to promote domestic demand and cut the nation's external surpluses.

His comments, delivered in parliamentary debate, immediately prompted a mini-rally in the dollar on the Tokyo market. The US currency had fallen to under Y192, but closed Y192.05. still below Thursday's close of

diately rebutted by a senior previous day the US Govern-official at the Bank of Japan, ment had disclosed the magniofficial at the Bank of Japan, ment had disclosed the magni- all previous records, who suggested that the Prime tude of the deficit with Japan. Exports in 1985 w

heavy foreign debts.

at this Mexican resort called

by the presidents of the two cil

BY DAVID GARDNER IN CANCUN

"misinterpreted" and added current account surplus reached imports fell by 4.9 per cent to Japanese Prime Minister, hinted that another half point cut in \$6.81bn (£4.88bn) and the trade \$117.93bn. In spite of the yesterday that Japan might the discount rate, trimmed from surplus \$7.05bn. This meant widely-reported problems that need to reduce its discount. 5 to 4.5 per cent on Thursday, was not likely.

> The latest Nakasone intervention, not the first time in the last month that he has called for lower interest rates, was given added point yesterday because it coincided with the announcent that the Japanese current account and trade surpluses had hit record highs

convene an urgent meeting of twice postponed meetings in instead of a planned five.

the Cartagena Group of Latin New York with its main foreign. Though almost no detail has American debtors to discuss creditor banks at which the emerged, it is understood that

the severe crisis" in the oil country's new finance needs for what one Mexican official called

ability of individual countries new credit of \$4.8bn (£3.4bn) the two countries debt strate-

Mexico has a total foreign

port carnings. While Vene-zuela, which owes over \$35bn

term capital outflow for 1985 \$15.32bn in November last year. rose to a net \$64.81bn.

These compare with calendar 1984 returns of \$35.02bn in position. In the next fiscal year, current \$43.50bn in trade surplus and a 6.5 per cent fall in exports \$49.83bn in long term capital and a 3.3 per cent decline in outflow, which were themselves imports, but still leaving a curboth for calendar 1985 and for \$43,50bn in trade surplus and But Mr Nakasone was immethe month of December. The \$49,83bn in long term capital

NO 20-8/81

MEXICO and Venezuela are to in spot oil prices Mexico has notice, lasted nearly 14 hours calls on all nations involved to

In December, the Japanese 3.4 per cent to \$173.93bn, but about \$56bn.

"the bringing up to date" of

gies dominated the closed talks.

The two delegations, led by a

particularly drawn looking Pre-

Lusinchi of Venezuela, were

tight lipped and evasive about the real content of the talks.

the current chaos in the oil mar-

The communique warns that

sident Miguel de la Madrid for people.' Mexico and President Jaime The

that, for the full year, the an appreciated yen has brought balance of payments was in to Japanese companies, exports surplus by \$49.27bn and the in December actually rose to an merchandise account by \$56bn. all-time monthly high of In only one respect was Japan \$17.74bn, compared with in financial deficit: the long \$15.74bn a year, earlier and

The Government's official forecast forsees no early or radical change in the external account surplus, starting in April, it estimates Exports in 1985 were up by \$51bn and a trade surplus of

Mexico, Venezuela call Cartagena meeting

show the same degree of re-

sponsibility as they themselves

the oil revenue shortfall is too great to be absorbed by domes-

lead to an unacceptable fall in

the living standards of our

thus been called to start talks

with creditor governments, banks and international finan-

cial institutions to promote

"effective measures of inter-

The Cartagena meeting has

tic spending cuts, which

The two countries state that

offers five offshore licences NORWAY yesterday offered

Norway

operating shares in offshore petroleum licences to five all companies under the second balf of the country's tenth round, Fay Gjester writes from Oslo. The offers concern nine

blocks, under eight licences, and companies invited to be operators are Statoil, the state oil company (on three blocks under licences), Norsk Hydro and Saga Petroleum also from Norway, and Mobil, Esso, Shell and Eif from Applications were invited.

last August, for a total of 30 blocks in the round, all of them located in the Nordland It area of the Norwegian shelf. This extends from the Halten Bank, of central Norway, to the Traena Bank,

French reserves fall France's official reserves fell at the end of last year by 10 per cent to FFr 412.9hn (\$40bn), compared with FFr 457.7bn at the end of 1934 largely as a result of the decline in the values of the US dollar, gold and the Ecu against the franc as well as the early repayment of part of the country's foreign debt,

Paul Betts writes from Paris. Carrian trial delayed A Hong Kong court adjourned for one year a bribery and fraud case involving former top executives of the collapsed Carrian property group, a court official said, Reuter reports from Hong Kong.

He said the court granted a defence request for the delay pending a decision on a separate charge of conspiracy

Honduran backtracks Gen Walter Lopez Reyes. chief of the Honduran armed forces and one of the country's most powerful figures, has withdrawn his resignation less than 24 hours after he announced it, Our Foreign

yesterday sharply attacked Savimbi, but toned down calls for sanctions against South Africa, Reuter reports

Staff writes.

The meeting here, which was ket is a serious threat to internation co-operation on oil, trade . As a result of the sharp fall called at less than a week's national financial stability and and credit flows." **EEC** and black leaders to

tional crude prices of the last 10 foreign exchange from oil.

market and its effect on the this year originally set at net

This was the main public out- debt of \$97bn and is dependent

come of the surprise meeting on oil for 70 per cent of its ex-

exporting countries following abroad in public and private the dramatic tumble in interna- debt earns 90 per cent of its

in the region to service their were to have been discussed.

focus on Botha reforms BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE moves announced by Presi than a genuinely democratic dent P. W. Botha of South regime in South Africa, involvforming the system of apartheid in South Africa will be the main focus of a two-day meeting of the Foreign Ministers of the European Community and six African Front Line states which opens in Lusaka on Monday.

President Botha's announceinflux control regulations for blacks would be abolished and all the African and some of the some important omissions.

European participants as too In general, the European little and too late.

Ministers are expected to tell

emphasise that anything less

Africa yesterday towards re- ing the principle of one man one vote. regardless of colour, is unacceptable to them.

European Community countries who, last year, adopted a limited package of sanctions against South Africa including a complete embargo on arms sales and other "sensiment to the South African tive" equipment and the with-Parliament that the much-hated drawal of their military attaches what more ambiguous stance. In London, at least, Mr that some reforms would be In London, at least. Mr introduced to give blacks a Botha's speech is considered to greater say in government are contain a number of "signifiexpected to be considered by cant" proposals. There are also

The African Foreign Ministers, their African colleagues that representing Zambia, Zimbabwe, they want to see how Mr Botha's Tanzania. Botswana, Angola, words will be translated into Tanzania. Botswana, Angola words will be translated into and Mozambique, are likely to action before giving a final verdict on his proposals

US will back Anglo-Irish aid package says Heckler

with

THE NEW US ambassador to Ireland, Mrs Margaret Heckler, said vesterday she was confident Congress would agree a package of aid to back the Anglo-Irish agreement on Northern Ireland in spite of severe budgetary constraints in Wash-

ington. Dublin that the aid, pledged by President Reagan after the signing of the accord last November, might be in some jeopardy, Mrs Heckler acknow-ledged that the Gramm-Rudman legislation requiring across-the-board spending cuts to curb the budget deficit was a limiting factor on all outlays,

both national and international. She said she was nonetheless confident an Angio-Irish aid package, which she said had yet to be finalised, would be

Irish officials do seem to have lowered their expectations for the package, due to be channelled to areas hardest hit by the troubles, mainly in the North. A month ago they were talking privately in terms of \$300m to \$350m. But they now expect the figure will be closer to \$250m. Mrs Heckler, who has close family ties to Ireland, declined to give a figure.

The former Secretary of State for health and human services arrived in Dublin this month to take up her post. She originally said she did not want the job but lost her battle to stay in Mr Reagan's cabinet.

She said much of her time would be devoted to encouraging more US companies to invest in Ireland. She said she Ireland.

to defraud against former Carrian chairman Mr George Tan and his deputy,

Savimbi trip attacked Southern Africa's black states the US over a visit by rebel Angolan leader Dr Jonas

Anthony Robinson reports from Cape Town on the South African President's policy speech

Botha pledges a 'framework for equal opportunities'

equal rights before an return."
independent judiciary." Presi- But he warned of further "We have outgrown the out-

dated colonial system of paternalism as well as the out-dated concept of apartheld." nowerful bastion against communist domination and enslavement . . should this republic perish a one-party dictatorship will sever this artery and destroy these freedoms."

Despite this South Africa was subjected to a greatly intensfied effort to isolate it "sustained by calculated lies about South African realities." He reaffirmed "our continued commitment to peaceful inter-national co-existence through co-operation and negotiation" but emphasised, "there can be no peace and stability in our region as long as countries knowingly harbour terrorists

He proposed "a permanent joint mechanism for dealing • Restoration of South African with matters of security . . . on our sub-continent" but warned. "should this offer be ignored & Extension of the or rejected we would take self-governing states. effective measures in selfdefence, "

who plan and execute acts of

SOUTH AFRICA is "a symbol lives over the past two years, rights. of the expansion of freedom, of Mr Botha said he was "greatly the upholding of religion and encouraged by the greater free enterprise sustained by calm that is beginning to

dent P. W. Botha said at the efforts to create unrest in 1986 start of his keynote policy by "leftist revolutionary speech to the combined houses elements controlled from of the tri-cameral parliament. abroad." He repeated "the govern

ment's commitment to equal provision of education for all population groups" and said "further announcements on South Africa was he said "a the continued reform of our educational system can be expected shortly."

In a brief passage on the economy he referred to good rains and an "excellent export performance" as part of "positive developments on the economic front." He made no mention of the debt crisis but said: "The government con-tinues to promote our status as an important and reliable trading partner" and promised the promotion of "bi-lateral and counter-trade transactions." Mr Botha said the proposed legislative programme con-firmed the commitment "to the creation of a framework for

equal opportunities." The main proposals arecitizenship to independent homeland citizens. Extension of the powers of

• The involvement of black decisioncommunities in On unrest within the country making.

On unrest within the country making.

Setting out the which has cost more than 1,000

Black freehold property reaction to it."

tory immigration rules (aimed developed areas . . and the mainly at facilitating the entry of Indian brides).

Restructuring of provincial minerals and energy policy this government. session.

Legislation for the "lifting, In the local government

"We have outgrown the outdated colonial

system of paternalism as well as the outdated concept of apartheid," President Botha said. South Africa was "a powerful bastion against communist domination and enslavement ... should this republic perish a one-party dictatorship will sever this artery and destroy these freedoms."

suspending or amending of sphere Mr Botha said "the first unnecessary restrictions" on regional services councils black enterprise. On the key issue of influx control Mr Botha promised

"legislation to remove existing influx control measures. The present system is too costly and obsolete." Instead "the government is in favour of measures to facilitate orderly urbanisa-tion . has noted the contents of the report of the president's council (last September) and . . . is preparing a White Paper setting out the government's

regional services councils (which will link together black and white local authorities for basic services) will be established in the near future." In a section called "Frame-

work for the Future" Mr Botha enumerated a set of principles couched in coded language. Thus "we accept an undivided republic of South Africa . . . with the right to participate in institutions to be negotiated collectively ... we accept one citizenship for all South Africans. "Pending the creation of stitutional structures into

A uniform identity document highest priority for formufor all population groups lation of a socio-economic
Repeal of racially discrimade development plan for the least position where they can partici- matters of common concern, inpate in government through cluding proposed legislation on their elected representatives." tri-cameral parliament and Mr. Botha earlier rejected a fourth chamber for blacks.)

In a key passage, interpreted by legal sources as a commit-ment to end the practice of detention without trial and the erosion of judicial independence Mr Botha said "we believe in the sovereignty of the law as the basis of the protection of the fundamental rights of individuals as well as groups. Any future system must conform with the requirements of a civilised legal order and must ensure access to the courts and equality before the law." Later Mr Botha repeated that

he was "willing to consider the restructuring and functions of the President Council to make provision for the participation by leaders of black communities" and announced one new initiative. This is the establishment through negotiation of "a national statutory council under my chairmanship consisting of representatives of the South African government, the governments of the self-governing national states (the six non-indexed at a political states) independent homelands) as well as leaders of other black com-

munities and interest groups." "Pending the creation of con-

Mr Botha also announced the implying equal treatment and be agreed upon for our multisuch matters.'

In a last minute addition to his speech Mr Botha then made his proposal for the release of jailed ANC leader Nelson Mandela in return for the release of Captain Wynand Du Toit, the South African soldier captured by Angolan forces while attempting to sabotage the Cabinda oil installations last May, and Soviet dissidents Anatoli Scharanski and Dr Andrei Sakharov.

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FINANCIAL TIMES

Chencre Se

Former S. Yemen premier accused of 'Mafia' killing

MR SALEM SALEH, one of guards opened fire on the South Yemen's few surviving remaining Polithuro members still in power, yesterday accused former President Ali Nasser Mohammad of a vicious "Mafia-style" assault against his party rivals.
"I have seen the film, The Godfather," said Mr Salch, "so

it is the Mafia way, Mafia means adopted by Ali Nasser." In the first interviews with

"Western correspondents by Senior South Yemeni political figures since the bloody events
of January 13, Mr Saleh and a
surviving Politburo colleague
gave graphic eyewitness
accounts of a gangland-style slaying of political rivals of former President Mohammad.

Mr Saleh, who is emerging as perhaps the most powerful figure among surviving political leaders in South Yemen, described the events at a Politburo meeting on January 13 as "barbaric" and said the world would condemn such action

when it knew the details.

Mr Ali Salim Al-Bydh, another
surviving Politburo member
who was wounded in the who was wounded in the vicious fighting that followed the January 13 coup attempt. gave a personal account of the circumstances leading to what was virtually a civil war in South Yemen involving rival political factions in this pro-Soviet state.

Mr Al-Bydh, inteviewed in his heavily-guarded clifftop house overlooking the sea, said that on January 13 a detachment of President Mohammad's personal

Yemen's Vice President, killing

Also killed in the gunfire that raked those sitting at the con-ference table were Mr Ali Shyia Hadi, the party discipline chief, and Mr Salih Muslih Qassim, the Defence Minister.

bers, Mr Al-Eydh, Mr Salem Saleh and Mr Al-Ismail, threw themselves to the floor. "They thought we were finished." said Mr Al-Bydh who floor. later managed to reach a telephone and summon tanks to help free surviving Politburo members and their staff.

When the tanks became involved, the battle between rival factions flared into a fullscale war in the streets of Aden, drawing in the army, navy and air force. The scale of destruction in less than a week of heavy fighting rivals some of the worst-devastated areas of

The smell of blood and rotting flesh in the Politburo meeting room in central committee headquarters, where the gangland-style slaving took place, is almost overpowering. Bodies of slain Politburo members were left there for days while the battle raced outside. Thick pools of blood are congealed on the carpets.

President Ali Nasser Mohammad was away from Aden on January 13, along with his supporters on the Politburo. guard started shooting Polit- But his staff maintained the buro members gathering for a illusion that he would be present by parking his car in its usual place at the entrance Soon after 10 am the former its usual place at the entrance President's personal bodyguard drew a machine pistol and shot in the back Mr Ali Antar, South briefcase to his chair at the head of the table at which the him. Two other presidential Politburo members sat.

Donors offer support as Museveni tries to fill power vacuum

leader, Mr Yoweri Museveni, sworn in on Wednesday as Uganda's head of state, is focusing his attention on forming a cabinet to head his fledgling administration.

However, he and his scantilymanned former rebel group have yet to address the power vacuum outside the capital where Gen Tito Okello's routed Uganda National Liberation Army (UNLA) troops, and vigilante attempts to block their retreat, are creating chaos.

On Thursday, Dr Samson Kisekka aged 73, Mr Museveni's chief negotiator at the Nairobi peace talks which attempted to reconcile the two sides, was appointed Prime Minister. Mr Museveni kept the key defence portfolio for himself.

Western donors, who met yesterday morning, plan to respond generously to the Museveni Government, com-mitting several hundred million dollars over the next three years. US and West German enthusiasm, in particular, stems from what is viewed as the restoration of human rights and democracy.

"Museveni's going to have very fruitful co-operation with the donors. Everyone seems to have been given the green light from their government." Mr Zia Ebrahimzadeh, the IMF resident representative said

vesterday Angered by 15 years of brutal and often bloody oppression. Ugandans are now imposing instant justice on the army which has been blamed for the deaths of at least 250,000 people during the Amin and Obote

At the request of UNLA officers. Mai James Thomson, de-puty commander of the British military training team stationed at Jinia, flouted protocol and intervened last Saturday but failed to restrain a rabble of 10,000 UNLA troops who rampaged through the lown for two days robbing and looting. The Jinja barracks are now manned by 120 UNLA troops who have defected. defected. Similarly UNLA troops have remained at the Tororo barracks, 125 miles east of Kampala, waiting to be re-

lieved by the NRA.

To the east of Kampala, villagers told of exhausted and hungry soldiers throwing their guns into the bushes or trading them for bananas, At Tororo, Father John Neudegger, a Benedictine mis-

sionary, has requisitioned UNLA soldiers now loyal to the NRA to crect a roadblock outside his mission. "I am a missionary, but I am also worried about security," he said.

There have been instances of irate villagers spearing and stoning UNLA soldiers to death. At Soroti and Mbale, towns en

harriers on the road. Elsewhere they have burned file of the NRA are Bantu from hridges and derailed a train of the south. The hostility between flecing troops in a hid to stem the two tribes is deep seated.



Mary Ann Fitzgerald in Nairobi describes how Ugandans are imposing instant justice on Gen Tito Okello's defeated troops

their progress. Many UNLA soldiers, who have been forced to flee on foot as their vehicles run out of fuel, are thought to be hiding in the area. On Thursday residents of Mbale. 155 miles east of Kampala, reported heavy fighting between the UNLA and factions that had defected to the NRM.

NRA troops have not yet penetrated eastern Uganda, but Commander Ellic Tumuine confirmed his men are pushing northwards along the country's

western borders.
About 9,000 UNLA troops have surrendered since the NRA seized power in Kampala last weekend. NRA officials said

yesterday. More than 3,000 were taken to the capital's central police station yesterday, some looking hungry and tired but most seemed relaxed and were

apparently being well treated. NRA officials said the captives would be taken to Masaka barracks, about 80 miles (130 km) west of Kampala, where they would be fed and looked after. They would be treated as prisoners of war, they added.

Lt Gen Basilio Okello, UNLA leader and former defence minister Col Wilson Toko are believed to have retreated to their respective home towns of Kitsum and Arua in the far north. They are wanted by Mr Museveni, who has pledged retribution against anyone guilty of human rights abuses. Maj Gen Tito Okello the forme head of state is in Juba in

Southern Sudan. Analysts fear they will rally their men and attempt mintary sorties simed at undermining route to the northern homes of the NRA Government, the title predominantly Acholi UNLA is predominantly comtroops, vigilantes have erected posed of Nilotic people from harriers on the many the north while the rank and

China opens more areas to foreigners

CHINA will open 137 more cities and counties for un-restricted travel by foreign-ers today, bringing the total number of open areas to 244, the Public Security Ministry said yesterday, Reuter reports from Peking.

The ministry said the new rules would allow foreigners with valid visas or residence certificates to travel without special permission in designated areas in every province and region.

China was effectively closed to tourists for 30 years until top leader Deng Xiaoping introduced an "open-door" policy in 1979. Since then tourism has expanded rapidly. with almost 1.4m foreign visitors last year.

Singapore deficit

SINGAPORE's 1985 trade deficit fell to \$\$7.6bn (£2.5bn) from \$\$9.8bn in 1984. Reuter reports from Singapore Department of Statistics figures show that total 1985 imports declined to \$\$57.8bn from \$\$61.13bn in 1984 and exports to \$\$50.2bn from \$\$51.3bn.

The December utilities widened to \$8931.5m from \$88378.6m in November and the December 1984. S\$490.6m in December 1984. Imports rose to S\$4.6bn from S\$4.5bn while exports fell to S\$3.7bn from S\$4.2bn. SCORES OF bulging trucks off-load sugar cane at the old mill. century. He was the land-own-Swarthy growers till fields ing grandfather of Mr Benigno stretching across 6,000 hectares. Aquino, Mrs Aquino's assassi-It is harvest and planting time nated husband and opposition

owned by the family of Mrs powerful politician from the Corazon Aquino, President area, and Mr Aquino himself Ferdinand Marcos' challenger built up the plantation and cut for the Philippes' Presidency in next Friday's election.

Mrs Aquino is the daughter of

trolled television stations, dis-Hacienda Luisita and the mill. gruntled workers have told tales But her cousin, Mr Eduardo of woe about life on the planta- Cojuangeo, is Mr Marcos's most tion. In daily advertisements powerful business associate, taken out by the ruling party in dominating the country's cocogovernment-controlled news- nut industry and much else papers, local officials have besides—including Tarlac prospoken darkly of oppression.

The tirade is part of an

Hacienda Luisita since 1958. In to Mr Cojuangeo's powerful the Marcos litany she is an machine. Even so, the picture "oligarch" who can't even of Hacienda Luisita is not quite secure the support of her own as the government-controlled employees. His onslaught shows the seamier side of Philippines On the plantation itself, politics at election time, and barely a poster can be seen illustrates how much he wants promoting Mr Marcos's cam-

on Hacienda Luisita, two hours' leader. Mr Aquino's father, also drive north of Manila, which is named Benigno, became a

But life is far from tranquil. the late Jose Cojuangco, known This week, on nightly news as "Don Pepe," who founded bulletins from government-con- the company which bought

The tirade is part of an Though blood runs thicker escalating campaign by President Marcos to denigrate the two sides of the family are Mrs Aquino, whose family, irreconcilably split, and Mrs Cojuangcos, have owned Aquino is likely to lose in Tarlac

to demolish Mrs Aquino in her paign. Practically all are for home area.

Mrs Aquino and her vice-presidential running mate, Mr Aquino and Cojuangco country.

Salvador Laurel. Plantation Opposite the entrance to officials say only two of the 11 Hacienda Luisita is an army village units embraced by the camp named after General plantation will back Mr Marcos. Servillano Aquino who fought and suggest that the television



Chris Sherwell reports on a campaign to denigrate the President's opponent

Marcos sours Aquino's sugar lands

Aquino: not even her employees support her, according to government - inspired attacks

and newspaper campaigns over Hacienda Luisita are contrived. The Marcos camp says that when the Cojuangeo family received a loan for the purchase of the plantation, the estate was eventually to be subdivided among the families working there. This has not happened, and the farmers have gone to court.

THE WORLD Council of Churches said yesterday it has compiled a "shocking report on human rights vio-lations in the Philippines to he released on the eve of the February 7 presidential elections in the republic, AP reports from Geneva.

The documentation "couvincingly demonstrates the systematic nature of the violations, showing their direct connection of the political, economic and military policies of the government of President Ferdinand Marcos."

The 150-page report was prepared by the Council's Commission on International

"The depths of degrada-tion to which the regime has fallen reflect its desperation," said Mr Ninan Koshy,

Rice lands were given to tenant farmers as intended, but sugar Moreover, the court case was first filed in the 1960s, but was only decided after Mrs Aquino declared her presidential can-

They also say past efforts to take land reform further and build up factories have been thwarted at official levels, and Not so, say plantation officials. they describe this month's or as insulting—as he gets.

belated announcement of plans to bring electricity to the viHages as another piece of blatant electioneering.

But if Mrs Aquino has looked vulnerable on the issue-two weeks ago she said she would "sit down with my family" to discuss Hacienda Luisita—the

attacks are only part of a wider

onslaught on the Aquinos. Earlier this month her god son, campaigning for her sup port, was gunned down in a car near Hacienda Luisita along with the driver. Some opposi tion activists have since sought refuge on the estate while others have gone into hiding. All fear for their lives. "The biggest problem is terrorism it Tarlac," says one. "Not just bribery, but threats."

Yesterday the propaganda barrage intensified, Full-page advertisements by the Marco-campaign alluded to the war time Japanese links of Bearings Aquino's father, who was par of a collaborationist administra tion elong with Salvado
Laurel's father. Front-page
articles in the government
controlled press quotes
embarrassing wartime speeche
by Mr Aquino's father.

Plainly if Mr Marcos is by US revelations of his "hidder wealth" abroad and hiallegedly fraudulent mis representation of his wa exploits, he obviously has th ammunition to give as good-

SwFr50m.

microbond

HONG KONG:

\$15m.

project in China

\$10m. pipeline

BAHRAIN:

services joint

JEDDAH:

Allinadayswork

DENVER: \$200m.

corporate debt

PORTLAND:

disposal

LOS . ANGELES:

hotel

\$50m.

convertible Eurobond

\$25m, 5-star

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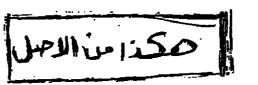
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HIGH ENERGY INTERNATIONAL CORPORATE FINANCE



Commons welcomes outspoken new minister

By John Hunt

MRS THATCHER's surprising decision to switch Mr Alan Clark from the Department of Employment and appoint him Minister of Trade will be welcomed by his many fans on both sides of the House of Commons who relish his highly in-dividual style.

It is doubtful, however, whether his appointment will be greeted with equal enthusiasm by officials at the troubled Department of Trade and In-

dustry.
Over the years this aristocratic character has made a series of outspoken remarks that have endeared him to the sent shudders through Whitehall.

There have been rumours at Westminster that he could be dropped altogether in a Government reshuffle. Instead. Mr Clark, art connoisseur and not-able military historian, goes from strength to strength, cheerfully indifferent to what

people think of him. Many of his contretemps have been superficial. His latest one, which led to seething indignation among Labour leftwingers. was a private reference to the possibility of immigrants being sent back to Bongo Bongo

There was also his ministerial which he read with studied dis-



Alan Clark: protectionist

employment opportunities for reaction to these statements with detached amusement and rarely bothers to deny the wild accusations broght against

him.
What else could one expect from a man of his background? The son of the late Lord Kenneth Clark (of Civilisation fame), ex-Eton, Christchurch and Household Cavalry, he is recorded as saying: "I don't need to get any richer. Once you have got a certain amount off living on the income."

through a lean period when his father turned him loose to " live on my wits." But even that experience left him unscathed. "All you had to do was to get in a taxi, go up to Annabel's club and the barman would lend you £50," he recalls. Of greater importance than

He did admit to going

his off-the-cuff remarks are his views on international trade. It does seem quixotic for the Prime Minister to have chosen man of strong protectionist views to take up a post in which he will be conducting a series of free trade negotiations.

Putting a good face on this yesterday, one DTI official commented: "Well, at least the textile lobby will love him. In his new job he will have to take over delicate negotiations for the renewal of the Multifibre Agreement which expires in July.

There will also he the new

round of negotiations on the General Agreement on Tariffs sions on breaking down trade barriers within the Community. easier by his reputation for he-ing somewhat anti-European and anti-American.
His officials will be looking up an article he wrote in 1980

calling for the introduction of protectionist measures to assist British industry.

To back up his argument he

put projections through the Treasury computer. From this he concluded that "quite spec-tacular results" could be obtained by modest limitation of imports.

He found it unfortunate that his argument had been so closely associated with the "intemperate left" but maintained this should not prevent the Con-servative Party from adopting it. The advantages of guaran teeds markets, expanding job opportunities, increased investment and higher revenue would

accrue under conditions of Tory freedom and mobility," he wrote.
Behind the flippant facade there is a more weighty side to his character. His training as a harrister equips him to deal with a Whitehall department. Aged 57 and married with two

sons, he is MP for Plymouth Sutton and, in addition to having an estate in Scotland, lives at Saltwood Castle, Kent. Whatever else happens, things. DTI following the arrival of the man who some Labour wits have called "The Tory Tribunite."

Joseph likely to move to Lords at next election

SIR KEITH JOSEPH, who has been Education Secretary since 1981, is expected to give up his seat in the Commons at the next general election after nearly 30 years as an MP.

Sir Keith, aged 68, has been a close ally of Mrs Margaret Thatcher and has been regarded as a leading proponent of the free market economics

Sir Keith attended the annual meeting of his constituency party in Leeds North East last night, a seat he has held since

He is expected to remain active in politics. It is likely that he will go to the House of Lords as one of the party's elder statesmen.

Sir Keith is eager to remain in his present post to settle the long-running dispute with the teachers. Mrs Thatcher would certainly not relish the loss of another minister following the departure of Mr Leon Brittan and Mr Michael Heseltine over

the Westland affair. Sir Keith, one of the party's leading intellectuals and a fellow of All Souls, Oxford, has always found the rough and tumble of party politics difficult. His sometimes anguished performances at the despatch hox and his subtle and refined arguparty faithful bewildered annual conferences, as he did when he made a long speech at Blackpool drawing a distinc-tion between the "middle tion between the ground and the ground" of politics.



Keith Joseph:

ally many of his theories put into practice. As Social Services Secretary under Mr Heath he was responsible for the reorganisation of the National Health Service, which has since come in for heavy criticism.

As Industry Secretary under Mrs Thatcher in 1979 he poured large sums of money into British Leyland in contradicments have become a notable tion of his own market philofeature of life at Westminster. sophy. At the Education Depart-On occasion he has left the ment be never found acceptance of his favourite scheme of edu-

cation vouchers. For a long time he was the unfortunate target for left-wing demonstrators whenever "centre spoke at universities or polytechnics. In the Commons, how-Although he has been a ever he has always won respect frong influence on Mrs for his personal courtesy and Thatcher he has suffered the integrity even from those most

disappointment of not seeing strongly opposed to his beliefs. Tory wants vote on leader

BY ROBIN REEVES, WELSH CORRESPONDENT ANTHONY MEYER, Conservative MP for Clwyd former diplomat said it was North West, said yesterday that clear that the Westland affair he would like Mrs Margaret was "not going to lie down." Thatcher to have to seek

re-election as party leader in the autumn. He denied that he wished to get rid of the Prime Minister but in an interview on BBC Radio Wales, Sir Anthony said that he felt that it watches the angry important to have a contest.

he said. The old-Etonian and A leadership contest would be the best way to decide who should lead the party into the next general election, he said. Sir Anthony is well known for maverick views. During the Falklands crisis, he was a

rarity among Conservative MPs

in being openly critical of Mrs

Audit Office hits out

to nominate a rival candidate, military force

THE GOVERNMENT's arrange-

ments for storing the growing mountain of surplus farm commodities were criticised yesterday in a report by the National Audit Office. Storage costs have become a

big item of public spending as a result of a sharp increase in stocks of cereals, beef and Between September 1978 and

December 1984, the value of government-bought surplus produce increased nearly seven-fold to £799m. The report focuses on the

activities of the Intervention Board for Agricultural Produce the Government body which and stores surplus agricultural produce. The board's costs, including

any losses on the subsequent surplus produce and storage costs, are supposed to be reimbursed by the European be reimbursed by the European the UK; Report by the Comp-Commission once the produce troller and Auditor General; involved comes out of storage. £4,30 from HMSO.

OXFORD University Press is to

spend £1.1m extending its dis-

tribution centre at Corby. The

project is being assisted by selective assistance under the

government's regional aid pro-

Mr Neil Killip, distribution director, said that although the

extension would not lead to the

creation of more than 10-20 jobs

over the next two to three years

the expansion was evidence of

the success the press had had since centralising its UK opera-tions in Corby four years ago.

in the distribution warehouse.

should end in mid-

Mr Kingston, who has more tions.

Mr Carlo Ripa Di Meana, EEC ket members.

Job switch for economist

April, the Government has

still forced to join non-EEC nationals at Terminal Two's

passport control, in spite of

Common Market membership

OUP expands at Corby

The press employs 150 people at the centre, of whom 70 are ised and can handle 250,000

DISCRIMINATION against tourism commissioner, said Spanish and Portuguese visitors pesterday he had sought full arriving at London's Heathrow details from Britain. He said

assured the European Com- was overcrowded but would be munity. The passengers are eased from mid-April when

MR DAVID KINGSTON, chief than 25 years experience in the

economist of PA Management private and public sector, is Consultants, has been seconded chairman of the Society of Busi-

to Lord Young's enterprise and ness Economists. He will con-

deregulation units at the centrate on analysing the com-Department of Employment. pliance costs of new regula-

Heathrow passport bias to end

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

However, the Audit Office report finds that the board's costs have consistently exceeded the relevant contributions from For example, UK spending on storage, transport and other

costs in the year to November 1983 totalled £85m, of which £21m was not covered by contributions from the Commission. It suggests several ways to improve the efficiency of storage arrangements, including better use of Crown-owned cereal stores, greater resort to long-term contracts for hired

cereal storage, and the intro-

investment is likely as the OUP will need to extend its high-rise

bulk store in about 1988 at a

largest in the UK after Collins'

Scottish store. It was opened at

the start of 1982. Mr Killip said

it was "the most modern in the

OUP receives 1,000 orders a

day at Corby, with the large majority small batches. Mr Killip estimated as many as 80

books a day from its 16,000 titles.

he had received a reply explaining that Terminal Two

Terminal Four was opened.

This would enable arrivals

from Spain and Portugal to use

the facilities for Common Mar-

cent are for 20 books or

The OUP centre is the second

cost of around £1.5m.

duction of more competition in the hiring of cold storage.

The report also criticises the While welcoming the initia-European Commission for failing to kep up with increases in the UK's stock financing costs. Arrangements for Intervention Commodity Stockholding in

MoD saves 80 Ordnance jobs out of 831 cut

By Lynton McLain

NORMAN LAMONT. Minister for Defence Procurement, has responded to requests from unions and management at Royal Ordance to bring forward orders so as to cut planned redundancies at two munitions factories.

About 80 have been rescinded

Union representatives re-acted angrily when workers Ordnance factories at Birtley, Co Durham, and Chorley, Lancashire, were told on Thursday morning that the jobs must go because of insufficient ammunition

orders from the HoD. Mr Lamont said in the Commons late on Thursday night that the MoD had placed an order with Birtley for 23,000 shells for 105 mm howitizers. This was the gun used by the army in the final assaults in the Falklands. Birtley will make the empty

shells and Chorley fill them with explosive and propellant. Mr Bill Meakin, deputy chairman and chief executive of Royal Ordnance, said yesterday: "It is a good order and will stem the planned redundancies by about 10 per cent." He had written to Mr Lamont asking if any outstanding orders could be

brought forward. The company had planned to make: 446 redundant at Birtley and 385 at Chorley. Mr Meakin said the order for 105 mm shells would save about 35 jobs at Birtley and

45 at Chorley. No other companies in the UK make the 105 mm shell. The MoD, under its competition policy for orders, put the order out to competitive tender to Royal Ordnance and

foreign manufacturers. This was the first time an order for the shell had been put out to tender. "Royal Ordnance won on price and quality." Mr Meakin said. An order for 10,000 shells

is in the offing pending an Army decision on the type of Ordnance has won "type approval" for its 105 mm howitzer from the US after

successful trials with 20 of

the guns in America.

The unions met Mr Lamont on January 20. The main problem was "the growing impact on Royal Ordnance of the competition Government's policy in defence procuresaid yesterday. Mr Lamont was asked to re-

examine competitive tendering for munitions orders after Royal Ordnance lost a British Army order for 76 mm lighttank gun shells to the Belgian munitions company PRB because its bid was too high. Of the 831 proposed redundancies 620 are likely to be compulsory,

Directors in EEC call

THE PROCESS of harmonisation within the EEC must be pursued alongside rigorous assessment of the costs that the policy imposes on business, the Institute of Directors, warned in a report published yesterday.

tives proposed in the Euro-Commission's White Paper aimed at achieving a fully unified internal market by 1992, the institute says that the gains stemming from the achievement of this target will be cancelled out if there is not enough attention paid to deregulation.

Barry Riley on the break-up of a 150-year banking dynasty

Hambro: no longer all in the family

One part, headed by the veteran banker Mr Jocelyn Hambro, 66, and including his three sons, Rupert, Richard and larger all includes the sons of the so James, all in their early 40s or late 30s. is to form an independent financial enterprise using Hambro Trust as a vehicle. Another part, headed by Mr Charles Hambro, 55, current chairman of Hambros plc, which owns Hambros Bank, is staying put. His son and daughter, Charles and Clare, in their 20s, are in Junior positions with the

> Rupert, chairman of the bank for less than three years, and a cousin of Charles, will soon depart. So will his brother James, in charge of international marketing, and Richard, who is no longer an executive but is a director of the bank. Mr Charles Hambro said yesterday: "I personally feel very sorry it has happened. There were obviously considerable conversations on it, and I did by best to persuade them

not to do whatever they wish "There is no rancour in it at all, on either side. But I am going my way, and Rupert and his brothers, together with his

father, are going the other way."
Mr Rupert Hambro was not willing to discuss his plans in any detail yesterday, arguing that it was inopportune to spell them out at this stage. First, he wants to see the completion of plans to extricate

the listed company Hambros plc from the effective control of Hambro Trust, which through a holding of high-voting shares has almost 50 per cent of the votes.
"We'll expand on our ideas in due course," he said, "But they are by no means clarified,

would not go back into banking again, but we would stay in the City." The split comes after nearly 150 years of family banking in London since Mr Carl Joschim Hambro moved to London from



Charles Hambro, left, and Rupert Hambros separate ways

kings of Norway, Denmark and

For many years Hambros recent years its fortunes have

ing business or to make a decisive move into the newly

£77m takeover of the estate agents Bairstow Eves. Although there is no family disagreement as such over the purchase of Bairstow Eves, it

merchants, then bankers to the become increasingly discn- of income in it, the whole of was one of the largest and most prise, with relatively few emprominent merchant banks in ployees, concentrating on cor-

the City of London, but in There has been much internal debate on its future strategy, but many observers feel that the bank has failed either to find a secure niche in the increasingly competitive international bank-

where many rival banks have been buying up stock market Instead, it is engaged, somewhat controversially, in the

is thought that Mr Rupert by Mr Jocelyn Hambro and his the family had been silk Hambro and his brothers have sons.

chanted with the prospects for the banking business and want to put together a new enter-

porate finance and dealmaking. Hambro Trust is an investment vehicle through which family control over the bank is exercised. The plan is to convert its high-voting shares in Hambros plc into ordinary equity, which could take until the end of March, and then to sell at some future stage its stake of, perhaps, 15 per cent

opened-up securities markets, of the equity, where many rival banks have This would raise a sum of about £40m before capital gains tax to use as the basis of the new activities of the trust. The trust is also listed on the Stock Exchange, however, so there will be other family and public shareholders to be considered before the business can he set up in the way intended

day has had an electrifying impact on the share prices of both

In two days the pic price has shot up 52p to 217p and the Trust price 60p to 247p. This is largely explained by speculation that the family split could

pave the way for an outside takeover of plc.

Yesterday Mr Christopher Sporborg chief executive of the ron-banking side of Hambros plc, dended any knowledge of a bid.

" We will be a normal quoted company without an umbrella." he said. "I personally welcome that situation. I have every confidence in the business to-day, and the direction in which

we are going.
"If someone wants to come along and bid for the shares at a huge price, then that's the way it is. But we are cer-tainly not looking for that." Mr John "Chips" Keswick, chief executive of the bank, dismissed suggestions that there were any strategic problems. "What we have got at the

business, with various streams which makes sense." Mr Keswick is in line to become chairmen of the bank on

moment is a nicely balanced

the departure of Mr Rupert Hambro. He does not see any present need for new capital, but the breaking of the link with

Hambro Trust could increase the flexibility available to Hambros ple. "One result of enfranchisement would obviously be that if we wanted to issue our shares we could do so without worrying whether it would affect the family control. That is the

main freedom plank," said Mr Kerwick. Mr Spotborg insisted that there were no strategic dis-agreements at Hambros.

"We are very clear where we are going. And we are well-positioned for the future. That does not mean we must spend millions of pounds buying brokers and jobbers."

Barclaycard

fraud cut for

BARCLAYCARD FRAUD in

the credit card's 20-year history.

31 per cent increase in turnover

and the addition of more than

8,000 cardholders. The number

of Barclaycards in use exceeds

Barclaycard said yesterday

that losses from fraud fell by

£700,000, to £5.4m, from £6.1m

The drop came in spite of a

first time

By Michael Cassell

SuperChannel short of finance BY RAYMOND SNODDY

come up with the full equity could be £35m to £40m. finance for their plan to create cable networks of Europe.

. In spite of confirming yester-day that their Super Channel company intended to launch an 18 hour-a-day service from October using a selection of ITV. Channel 4 and BBC programmes they are more than 20 per cent short of the equity

The intention is to finance the ambitious venture with about £8m of equity finance,

THE independent television plus loan stock and debt. It is executive directors were uncompanies have failed so far to believed the total exposure happy with the business plan

The hole in the financing plan a satellite television channel has been created because two featuring the best of Brifish of the big five ITV companies decided not to invest in the project at least for the time being.

The Thames decision was expected. The company is plan-ning a public flotation of about 50 per cent of its shares in May. But Yorkshire has often emphasised the importance solidarity within the federal

ITV system. It is believed the Yorkshire the venture.

for the project and never put the proposal to major share holders such as W. H. Smith. Vigorous attempts will be made in the next few weeks to 1985 fell for the first time in

persuade Yorksbire to change

its mind. If this fails the 13 ITV companies in the venture will try to absorb the slack or go to outside investors for support. SuperChannel plans to ap-

point executives later this month and detailed negotiations will start soon with the BBC which has agreed in principle to supply programmes for

in 1984. As a percentage of retail sales, fraud through Barclaycard's 236,000 outlets dropped 0.22 per cent to 0.15 per cent.

> The company said the telecalls in 1985, played an important part in reducing

fraud. "We also paid out nearly £500,000 in rewards during 1985

Over 3,000 arrests were made. Last year was the company's most successful ever. Turnover rose to nearly £4.5bn. The total

Unijet offers low-cost flights

UNLIET, part of the Viking ways—to use their aircraft for International group, is offering cheap scheduled flights.

Barclays Industrial Develop
Barclays Industrial Developa series of low-cost international flights for passengers national flights for passengers Bank, has a 22 per cent share who want to make their own of Viking International. The holiday arrangements based on balance of the company is cheap flights.

balance of the company is mostly owned privately. cheap flights.

Unijet already offers cheap air tickets in Europe and about 120,000 cheap seats.

The company has teached

Eastern and Cathay Pacific Air-

ment, part of Barclays Merchant

We see this new service, fully supported by some of the world's leading airlines, as a major competitor to British Airways' Poundstretcher fares." agreement with 14 international Mr Chris Parker, chairman and British managing director of Viking savings on car hire, hotel airlines—including British managing director Caledonian, TWA, Continental, International, said. ternational, said.

accommodation, onward air
"Within three years we con- travel and travel insurance.

The service also includes charter flights to North American gateways on flights of Nationair of Canada and Transamerica Airlines of the US. The cheap fare offers on scheduled and charter airlines are linked with savings for passengers of between £5 and £40 per adult passenger, and up to £25 per child in the form of

The decline, it says, is attributable to a combination of several "effective fraud prevention measures." phone authorisation service, which handled more than 15m

and nearly 15,000 stolen Barclaycards were recovered.

of new cards issued reached 819,000.

David Churchill looks at the man who is welding together a recently merged retail chain

New Asda-MFI chief eases City jitters

From its northern base in

created large stores like ware-

from large racks. With plenty

of car-parking facilities at out-

of-town sites. Asda soon was

able to establish the trend towards one-stop bulk shopping.

which Tesco and Sainsbury were forced to follow.

its own success and failed to respond to changing tastes in shopping. "People don't want

to shop anymore in large sheds

which have no design appeal,"

Yet Asda became a victim of

MR DEREK HUNT's emergence this week as the man with the task of welding Asda-MFI, the third largest retail group in Britain, into an effective combination for the 1990s, has gone some way to ease City jitters about the company's future, after its creation by one of the largest retailing mergers of

Twelve months ago, Mr Hunt was the darling of City analysts, with his successful, out-of-town MFI furniture operation. Asda, meanwhile, was beginning to look a little jaded after more than a decade of unrivalled expansion, in comparison with such established giants as Tesco and J. Sainsbury and new entrepreneurial supermarket chains typified by Argyll and

Thus the £615m merger of MFI and Asda, announced last April not only surprised the City but also posed a dilemma
—would the sum of the retail chains be greater than the two

imagination as did Sir Terence Couran's link with British Home Stores. City sceptics appeared to be proved right, moreover, when Asda MFI moreover, when Asda-MFI announced rather flat interim pre-tax profits last month of £72.2m, against £72.59m in the on a pro forma basis.

"The merger couldn't have stantial exchange of personnel come at a worse time, in tradthroughout the group." ing terms, for the two groups," said Mr Paul Smiddy of stock-The company had a lot of bright young managers on the separate Asda and MFI execubrokers Wood Mackenzie. "Asda was reaping the results of failtive boards, to whom the group ing to keep up with market changes, while MFI faced a was looking for its future drive. Mr Hunt's initial priority slump in furniture sales." will be to encourage the regeneration of the 103 Asda

markets.

The result of the problems facing the new group was pres-sure in the City on Mr Noel Stockdale, chairman of Asda-MFI, who had already passed normal retirement age, to make the succession clear. This week, the company announced that Mr Stockdale would retire, after 47 years, at the annual meeting in the late 1960s and 1970s, Asda October. Mr Hunt, 46, becomes created large stores like waredeputy chairman and group chief executive immediately, with Mr John Hardman, manag-

Mr Hunt suggested that the City might be taking rather too short a view about the group's future. "We said at the time the merger was announced that The logic of the merger we were creating a retail force failed to capture the City's for the 1990s from the basis of two of the most successful outof-town retailer of the 1980s. points out Mr Smiddy. You just can't expect to weld together two such operations in six months,"

a deputy chairman as well.

Asda's problems have been compounded by the success of other food retailers, which have capitalised on changing trends. A new market survey, published Significant progress had al-£72.2m, against £72.59m in the ready been made in joint operathis week by Verdict, shows equivalent period of last year tion of property and buying that Asda's share of grocery activities and there was "sub- sales rose from 7 per cent in 57 per cent of Sainsbury's gales

1984-85. During that period, Dee's share grew from 4.1 to 7.4 per cent.

ago, after the abrupt departure of Mr John Fletcher from the Asda top job, has been well aware of this problem and has put in train plans to improve superstores. Asda was first into Asda's image. The style of the superstores — those with more than 25,000 sq ft of sales space new-look Asda superstores when the likes of Tesco and J. Sainsbury were still selling out of small, High Street super-

created by the design consultancy Rodney Flich and Co—was unveiled late last year at Leamington Spa. Warwickshire.
There, the old cream and brown colours have been superseded by apple green and orange, plus dashes of red and blue. For the first time in an Asda store, there are lower, suspended ceilings over the non-food and fresh-food areas. Another key change in Asda's

strategy is away from selling only manufacturers' branded products into developing ownlabel goods with greater gross margins-25 per cent, compared with an average 12 per cent on branded goods.

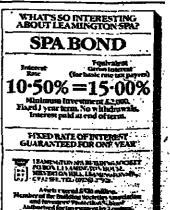
The popularity of own-label - which are sold more cheaply than manufacturers' - has been partially brands responsible for the success of other supermarket chains, according to a report this week this week by Verdict, shows from the Mintel market research company. It says that about

3,000 own-label products.

Fortunately for Mr Hupt, the 7.4 per cent.

Mr Hardman, who took over as managing director two years market looks like picking up. "There are very few sectors in Britain's mature retail market which offer the opportunities remaining to be exploited in furniture," says Mr Richard Hyman of the Verdict research

company. The City may decide that the Asda-MFI merger at last deserves its postponed "honeymoon" period, now Mr Hunt has become chief executive, though there are still those who remain convinced that the marriage will end up in divorce.

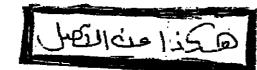


ynasty

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d retaild



SINGESS. AND DISTILLERS. SIR BULL 74,

On Monday 20th January, we announced an agreed offer for The Distillers Company plc.

We would like to explain the motive behind this move.

There is a rare compatibility between our two companies.

We are both custodians of enduring drink brands.

We are both dedicated to building and exporting those brands all over the world.

And we have both developed strong international sales networks to help us do so.

Why should we join forces?

Well, like the car industry of today, the worldwide drinks business of tomorrow will be a battle of giants.

With Distillers we will be of a size to compete with the 'big boys' from the USA, Canada, the Continent and Japan.

It is not simply a case of Guinness being good for Distillers, but a case of the joint enterprise being good for Britain.

GUINNESS PLC

This advertisement is published by Morgan Grentell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement is published by Morgan Grentell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly, the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly.

Lisa Wood on sales in champagne's principal foreign market

More bubbly on Britain's tables

BEFORE THE First World War, according to a story allegedly told by the late Labour deputy leader Mr Nye Bevan, and often recounted in the wine trade, no Welsh miner considered he was doing his family proud unless he put a bottle of champagne on the table for Sunday lunch. Is this an indication that champagne was cheap in early 20th century Britain?

"Certainly not," says Miss Nancy Jarrett, a director of Moet et Chandon, one of the leading French champagne houses. "It is a demonstration that miners were well paid and proud of it," she says. It was not until 1984 that

shipments of champagne to the UK exceeded those of Edwardian times while in 1985, according to figures published by the Champagne Bureau, Britain re-asserted itself as the drink's principal foreign cus-tomer. Over the past 10 years it had vied mainly with the US and Italy for that distinction The French themselves drink nore champagne than the rest of the world put together. Shipments to the UK last year

were 15.3m bottles, compared with 11.9m in 1984 Such has been the popularity of bubbly over the last 25 years hat worldwide demand has isen from 93m bottles in 1969 o 195m bottles in 1985 with

The nurturing of international ales has been a high priority if the industry, though such a trategy has its problems. The comite Interprofessionnel Du in De Champagne, the drink's in De Champagne, the drink's "The discrepancy is one of overning body, has fought a the wine trade's mysteries," ontinuing battle to protect the said the Champagne Bureau. thers passed off as champagne. n the UK, English case law ating from 1960 gives legal rotection to the appellation

ghter, and thus more healthy, tell.

BY DAVID FISHLOCK, SCIENCE EDITOR

The aim is to create a single Hammersmith Hospital.

e Post Office and was incor- IIN human rights commission trated as a public company, meet in Geneva. Siemens issues

parate figures from Girobank fel issues and redemptions (dur-

ace its change of status, in ing the month of January), a last full financial year, it Provisional estimates of mone-

corded an E8.3m pre-tax statement. Over-ofit, compared with £8.2m for dinner in London.

agreed that two big medical

search centres in London

entre for post-graduate medical

fucation and research, able to

ike greater advantage of recent

ivances in basic medical

tience for the prevention and

National Giro

profits advance

ATIONAL GIROBANK

'hieved a small improvement

pre-tax profits in the half-ar to October 1, 1985.

Girobank, which ceased last

equivalent period a year

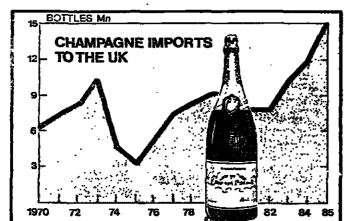
The results are the first

stober to be a department of

nould be merged.

eatment of disease.

By Michael Cassell



of 1985."

among most Britons in work.

Retail chains with their own-

set up 15 years ago at the newly-

built hospital, so as to work

MRC, 20 Park Crescent, London

address. Disarmament conference resumes in Geneva.

WEDNESDAY: Overseas travel

and tourism (November). Hous-

ing starts and completions (December). Advance energy

statistics (December). EETPU

plaints. Commons debates motion: "The conduct and supervision of

the City." President Reagan's budget proposals for fiscal year 1987 released. French TUC calls

for 24 hour dock strike.

first developed. Mr John Clevely, managing
In the UK, according to the
industry, it is not just frequent champagne house, and chairman drinkers imbibing more but a of H. Parrot, one of Britain's wider spectrum of people gaining a taste for champagne with supermarkets selling their own tremely surprised to see shipchampagne label products openments in 1986 exceeding those of 1985." ing new markets.

A note of caution on the Last year, said Mr Clevely, Champagne Bureau's sparkling was one with a combination of figures comes from the Wine exceptional circumstances. and Spirit Association. It points to a significant discrepancy between shipments recorded by the French to the UK and clearances from UK Customs and Excise Bond, a discrepancy that has increased in the past few

onsumption in France account— In 1984 for example, according for about 122m bottles last ing to the Champagne Bureau, market own-label brands would shipments of champagne to the probably have strongly ex-UK amounted to 11.9m bottles. The Wine and Spirit Associa-tion, however, estimated clearances of champagne from bond to be about 8.8m bottles.

ntegrity of the drink from Duty-free sales from airline and ships stocks and advance buying before price increases are potential explanations

This year, for instance, price increases of more than 10 per cent are in the pipeline, and In the past 25 years shipments cent are in the pipeline, and i champagne to the UK have the industry suggests that the nparalleled among the drink's could be an indication of a preign customers except for stocking-up by British shippers ie US, where the trend seen before the price goes up, ecently in developed countries. Orders for 1986 are only just awards drinks perceived as being placed so it is too early to

Merger for medical research

HE Medical Research Council They are the Clinical Research Its task was to investigate

Park Hospital, and the Royal

Post-graduate Medical School, at

Michael Stoker, president of

(December). Retail sales (December final). Opec minis-terial committee meets in Vienna

to discuss market share. EEC Foreign Ministers or Deputies

atlead summit meeting of Afri-

TUESDAY: EEC Internal Market

Council meets in Erussels. UK

official reserves (January). Capi-

ECONOMIC DIARY

Overseas bankers

Clare Hall. Cambridge.

Centre, attached to Northwick the Clinical Research Centre.

Hammersmith Hospital.

The recommendations for a merger are from an expert committee headed by Sir From Mrs Avie Gillingham,

MONDAY: Credit business monthly statement (mid-Janu-

WIN 4AL.

Retail sales ary). Teachers' employers meet al). Opec ministo discuss pay deal. President Reagan gives State of the Union

it is important that we can offer our customers champagne." The increase in supermarkets sales has been strongly related

to price, with the good harvests of 1982 and 1983 releasing large quantities onto the market and driving down produc-tion prices. By law, champagne is not sold for at least 15 months after the harvest, with prices determined by the longer term consideration of supply and demand.

As to why more Britons want to drink champagne Mr Adrian Lane, a trading director of Tesco said: "Interest in the better things of life is increasing and drinking champagne

is part of that."

Mr Richard Balls, buying director of Balls Bros, the family-owned wine merchant and wine bar operator in the City of London, said: "It is the sort of drink people like to be seen to be drinking

because of its luxury image. At the same time the drink, like white wine, fitted into the trend for drinks believed to be lighter and healthier.

Mr Charles Minoprio, a director of Ratch Mansfield, the These included good quality champagne at prices which had fine wine subsidiary of Grants of St James, said: "People who not risen for two years and an increasing disposable income are in work are better off today than they have ever been. Mr Clevely suggested that while his sales had gone up by The stock markets are high and people are spending more nearly 20 per cent in 1985, the money.

While it is unlikely that champagne is still served every Sunday on the Welsh miner's ceeded that. Own-label brands table, the drink is gaining con-sumers throughout Britain and account for an estimated 40 per cent of the market by not just in the affluent southeast. However, according to Mr Clevely, about 60 per cent of "The supermarkets are not taking away from our market," his sales are still in the southsaid Mr Cleverly, whose Veuve

Clicquot retails from £11 a bottle. "Rather they are expanding the market for the Price increases of between 10 and 15 per cent coming through already this year could, however. put a dent in the growth of sales, particularly, at the pricelab l champagnes include Marks and Spencer, Tesco and J. Sainsbury, the latter dominatsensitive lower end of the mar ket. Price increases this year are largely because of the poor champagne harvest last year.

ing own-label sales starting at £6.75 a bottle.

J. Sainsbury said: "Cham-"If we have a second poor harvest, in terms of volume, in pagne is an important part of 1986 we will see a major change our off-licence sales because it in the market," said Mr Clevely complements the range. Of course, sales are nowhere near those of Liebfraumilch, the

Wine column, Weekend PT Page XVI

Sheffield steel strike ends after 16 weeks

By Helen Hague, Labour Staff Sheffield Forgemasters group vesterday voted unanimously to accept a formula, agreed through the conciliation service Acas, for ending their 16-

to work on Monday. includes The settlement agreement on union representation and organisation—the issue which provoked the dispute and reinstatement of the 700 strikers at the company's Atlas site, who were dismissed in

week dispute. They will return

December.
A £10m aid package from the Trade and Industry Department was not forthcoming while the

dispute continued. About 1,000 workers at the group's River Don site joined the stoppage last month after their colleagues had been sacked.

The Atlas site dispute began through grievances over pay, minimum earnings and redundancy guarantees, as well as the management's refusal to recognise the established negotisting structure centralised by shop stewards.

The group had been reorganised into subsidiary divisions, which made the old structure obsolete, the company

The terms of the settlement provide for a joint shop-stewards' committee, covering the Atlas and River Don sites. Pay and productivity negotia-tions will shift to individual subsidiary level—although representatives of the group-wide committee may be called on in the event of deadlock. The group-wide committee will have negotiating rights on pensions, health and safety, but there will be no full-time

officials on site.

Mr Ron Ward, the former convenor at Atlas, said the settlement was a victory, although the workers accepted that it was not realistic to and they must either sign in- on Sundays except in special rather than in advance—in line pursue a pay claim on returning dividual commitments to work circumstances and by prior to work.

The waste of claims to work with the national agreement for the engineering industry.

TUC and Labour Party hit out at Wages Bill

BY DAVID BRINDLE, LABOUR STAFF

THE Government yesterday published the Wages Bill, which seeks to reform the wages councils, to repeal the Truck Acts and to abolish payment of redundancy rebate to companies with 10 or more employees.

The bill's central measures are the withdrawal of wages council jurisdiction over the pay rates of workers under the age of 21, and the restriction of wages councils to the setting of only one basic pay rate and an overtime rate for each group of workers.

Although all the main points in the bill have been previewed, the proposed legislation was criticised heavily by the TUC and the Labour Party. Miss Clare Short, shadow employ-ment spokesman, said a Labour government would repeal the "mean-minded" measure in its entirety and introduce a

national minimum wage.

The CBI welcomed the moves on wages councils and the Truck Acts but said the abolition of redundancy rebate to larger companies could cost industry up to £20m a year and could "delay manning changes which are necessary to recap-

ture lost markets.

instruments. Mr Kenneth Clarke. Paymaster General. said much of this existing legislation dated back to Victorian and Edwardian times

 Payment of wages: The bill negotiate their own detailed repeals the Truck Acts, removterms and conditions. ing manual workers' right to be paid in eash with the aim of encouraging the spread of payment by bank credit transfer. Employers' deductions from pay would be unlawful except by law, by employment contract or by the written consent of the worker.

Deductions for stock or cash shortages in the retail sector would be limited to 10 per cent of each wage payment, and employers' statutory workers would have the right to dancy payments, the appeal to an industrial tribunal over alleged unlawful deduc-

Although some savings would The bill would replace 13 tribunal stage) would result in claims.

Acts, more than 20 statutory orders and parts of other legal annual cost of about £100,000. Instruments. Mr Kenneth Reform of wages councils: Removal of 500,000 under-21s from the scope of the 26 wages councils would, the Government Victorian and Edwardian times believes, create jobs at lower and was unsuited to the modern pay rates. Simplification of economy.

The bill is in three main sections:

Content of the poly of the poly of the pay rates. Simplification of wages council orders for 2.2m other workers would leave employers and employees to

Wages councils would be required to consider the effect on employment levels of their orders and there would be pro vision for the Employment Secretary to vary the jurisdiction of a council or to abolish it

 Restricted payment of redun dancy rebate: Having inherited a scheme providing for 50 per reimbursement

dancy payments, the Government proposes to abolish the present 35 per cent rate for all companies with 10 or more employees.

be made in the costs of the wages inspectorate, the additional workload for industrial a full year are £200m plus the tribunals and for Acas, the £900,000 costs of about 90 posts conciliation service (at pre- of workers who handle rebate

Paxman restarts Sunday work

BY DAVID BRINDLE, LABOUR STAFF

duce Sunday working at its Colchester, Essex, plant to-

The workers this week each received a letter, telling them their restrictions on overtime constituted "industrial action"

PAXMAN DIESELS, a GEC supervision" or collect their subsidiary, intends to reintroduce Sunday working at its About 70 per cent of the tated a "reasonable amount" and the supervision of the tated a "reasonable amount" and the supervision of the tated a "reasonable amount of the tated a "reasonable amount" and the supervision of the tated a "reasonable amount of the tated a "reas

vent a dispute. The issue arose from an exist-

cocknester. Essex, plant tomorrow after it gave its 630
manual employees 24 hours to
give agreement in writing or
face dismissal.

About 70 per cent or the latter a reasonable amount
workers returned commitment of overtime working over the
coming months. Employees had
agreed to overtime arrangements, but union officials had
meanwhile reached an agreeface dismissal. ment on Sunday working to pre- lock prompted the sending of the letters to the workforce.

The unions are believed ing local agreement, whereby have agreed to consultation in the plant would not be operated the wake of Sunday working-

John Lloyd on possible ways out of a newspaper industry crisis

Getting off the hook over Wapping

THERE'S A way off every hook: by Mr Murdoch are too numer main outside of the control of Sogat '82 tried to poach Fleet that received wisdom of collections to be soaked up elsewhere the main print unions.

Street electricians two years ago tive bargaining took a bad in Fleet Street. The unions do Could there be a climbdown and only backed down after the battering during the miners' have some leverage. The to get the unions off their general council directed it to do

Rather, are there two deals? For there are two hooks. The first is the dispute between two print unions, Sogat 82 and the National Graphical Association, on the one hand

and News International on the other. The second is the dispute herween four print unious, including the National Union of Journalists and the Amalgam-ated Union of Engineering Workers, and the electricians union, the EETPU.

The first dispute is going badly for the unions; Mr Rupert Murdoch, the News Inter-national chairman, has succeeded in producing at Wapping and Glasgow most of the copies he needs of his daily papers. The Sun (4.1m) and The Times (530.000). He has yet to prove he has adequate capacity for the Saturday night run of News of the World (5m) and the Sunday Times (1.3m).

He is also getting them out. The drivers of the trucks plant, News International may operated by TNT, the company ultimately be willing to conwith the contract to deliver the papers, have taken no apparent notice of the unequivocal instruction not to cross picket lines, issued on Wednesday by Mr Ron Todd, the Trans- Road. port and General Workers Union leader.

The 5.000 printers who went on strike and were dismissed

strike. Can it be resurrected for London wholesale houses have second hook? the Wapping crisis? Is there a refused to handle the News International titles because they know their workers will obey blacking instructions. Mr Murdoch has had to construct, through TNT his own distribu-

> tion system at great expense. are generally handling the titles but there too extra ex-pense is incurred. Neither in the capital nor outside it is circulation yet normal, largely because production is not normal.

> The leap into Wapping and Glasgow with their 62 printing units has left behind in Bouverie Street and Grays Inn Road 159 printing units. Mr Murdoch needs some of that capacity if he is to be assured of normal production and if he is to launch his long-mooted London Post.

So a deal might take shape. In return for ending the action, stopping the blacking of the titles and releasing the printing struct a redundancy package for the bulk of thoe sacked, while taking back a few hundred on a tight legally-binding agreement to run the presses at Gray's Inn

Wapping it would now seem. is beyond the union's hopes to organise. Barring a climbdown by the electricians it will re- relatively bodly.

laid against EEPTU on Thursday were genuinely surprised by the scale of what the union is alleged to have done to get The provincial wholesalers its members into Wapping and

Glasgow. It is said, to have colluded secretly with the company in acting as an employment agency primed members who were hired to cross picket lines and lied about doing so.

Mr Hammond did not turn up for the laying of charges this week, insisting that the 200 print workers who had jostled him at a previous general coun-cil meeting constituted an intimidatory force. It does not appear that he wants to stay in.

times. He has also not yet presented his union's defence.

He has made much of his desire to present a powerful counter argument. He has many demanded that newspaper secrestaff joined tithem though they wrong.
were not "naturally" their members and are often treated the reasons do too. Does the

so. Printing techniques are The Trades Union Congress becoming electronic and there eneral council members is something of a case that guthered to hear the charges electricians should follow the

If he does win some credit for his case—and he will have to be a powerful advocate indeedthen a deal here too is just possible.

The meeting next Wednesday will if it finds the EETPU "guilty." direct it to desist from its actions. Much importance attaches to the nature of that direction.

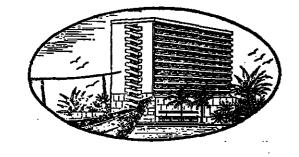
Mr Hammond has said he will not accept any instruction which is unlawful; for example, he will not accept an order that his Wapping members will be told not to cross picket lines.

What, however, if he is asked to do something lawful, say, hand over his members to He has, however, sung another union, refuse to sign different tunes at different an agreement with Mr Murdoch, or agree to attempt once more to get into negotiations, together with the other print unions,

with Mr Murdoch? Mr Hammond has made his points he might make. The calculations about leaving the anarchy of Fleet Street industrial relations existed long he can better in membership before his members went into terms out than in. Maybe: but Wapping. Print unions have it will be a big risk, since every terms out than in. Maybe: but it will be a big risk, since every union in the TUC will be out to taries, advertising and other get his members and prove him

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Engineering output

ENGINEERING industry output was 2 per cent higher in the three months to November compared with the preceding three months on a seasonally adjusted basis. Output in the mechanical engineering sectors and in the

electrical and instrument sectors was 2 per cent higher. according to Department of Trade and Industry statistics. The mechanical engineering sectors were up 7 per cent compared with the same period in 1984. The electrical and instrument sectors were up only 2.5 per cent on this

The mechanical sectors showing most progress were the heavily weighted hoilers and process plant fabrica-tions, up 6 per cent on both comparisons. Production of mechanical lifting and hand-ling equipment was 12 per cent higher than in the previous three months and 19 per cent higher than in the same period of 1984.

Output of electronic data processing equipment was up the same period of 1984. Production of basic electrical equipment was down 8 per

APPOINTMENTS

Channel Tunnel director for British Rail

Mr Malcolm Southgate has been appointed to the BRITISH ager. He was formerly manager of the Geneva branch. Mr Raymond C. Sturmer becomes assistant manager. vestment in the project, and to carry through the train service planning in time for the opening of the rail link in 1933. Mr Southof the rail ink in 1953. Mr South-gate has been general manager of the London Midland Region since 1983. He will be succeeded by Mr Cyril Bleasdale, who has been director, Intercity, since 1982. Dr John Prideaux, director of the policy unit, succeeds Mr Bleas-dale. All the appointments are from February 24.

The following have been appointed assistant directors of HAMBROS BANK: Mr J. W. Mein, commercial banking; Mr D. Denman, Mr J. A. Glibert, Mr W. J. Nabarro, corporate finance; Mrs J. C. Cowell, Miss P. A. Dennis, Mr R. E. Donaldson, Mr P. J. Goodey, Mr L. Moltesen, general banking; Mr C. R. D. Arbuthnot, Mr G. J. T. G. De Nadaillac, Mr G. P. Knight, Mr T. F. Candy, international debt issues; Mr M. J. Beaver, Mr C. R. B. Cox, Mr M. T. N. Mansfield, investment management; Mr J. F. Dennehy, leasing; Mr N. H. Page, non-banking activities; Mr D. R. Curtis, Mr A. M. ties; Mr D. R. Curtis, Mr A. M. Le Grove, Mr N. H. Scott-Barrett, medium term finance and ship-ping; Mr J. J. Caiger, Mr L. C. White, Mr P. V. Wright, Mr L. Tiller, central services.

tant general manager.

Mr Peter Morse has been appointed a director of the WEST LEIGH GROUP, a member of the OCS Group. He was general manager. Gold Fields ARC and Amey

Gold Fields ARC and Amey Roadstone Corporation have merged their boards to form ARC: Mr J. H. A. Wood (executive chairman); Mr C. Spence (chief executive and deputy chairman); Mr B. W. Deller (director, finance); Mr C. Glynn (managing director, building products); Mr E. H. Hope (managing director, ARC construction) aging director, ARC construction group): Mr G. Morlimer (managing director, UK aggregates); Mr K. Orrell-Jones (president and CEO, ARC America); Mr D.
F. Singleton (director, marketing
and development); and Mr P. T.
Terry (director, personnel and
corporate services). The following are non-executive directors: Mr R. I. J. Agnew, Mr R. G. Bartlett, Mr S. Eilon, Mr P. D. Fells, Mr G. R. J. Gulse, Mr A. P. Hichens, and Mr H. P. Parry.

departments.

Mr R. E. Stedman has been appointed chief executive of MINET INSURANCE BROKERS (HOLDINGS). This is part of a reorganisation of management functions. Mr C. W. Keer, joint deputy chairman of Minet Hold-ings, remains chairman of Minet Insurance Brokers (Holdings).

The Home Secretary has appointed a new part-time deputy chairman of the EQUAL OPPORTUNITIES COMMISSION in succession in Management OPPORTUNITIES COMMIS-SION in succession to Mrs Jane Finlay, who died suddenly last November. The new deputy chairman is Mrs June O'Dell, the president of the UK Federa-tion of Business and Professional Women.

NFC PROPERTIES, the property development arm of NFC Bartlett. Mr S. Eilon, Mr P. D.
Fells, Mr G. R. J. Gulse, Mr A. P.
Hichens, and Mr H. P. Parry.

DEREK BRYANT GROUP has appointed Mr Stuart J. Bryant, Mr Ian R. Stock and Mr Michael F. Townsend to the board. Mr Townsend is president of the group's. US subsidiary, Derek

Derek Bryant GROUP has appointed Mr Stuart J. Bryant, Mr Ian R. Stock and Mr Michael F. Townsend to the board. Mr Townsend is president of the group's. US subsidiary, Derek

LONDON & SCOTTISH

appointed to the board of the group's Lloyds broking subsi-diary Derek Bryant Insurance LASMO board. The new direc-Brokers. Mr Warman is respon-sible for the overseas errors and omissions business and Mr Davidson heads its oil and gas departments. Mr Richard Rarry directors); Mr Richard Barry, LASMO's general manager, production and operations; and Mr Norman Davidson Kelly, general manager, corporate development (executive directors).

> COMBINED LEASE FINANCE has appointed Mr Glyn Jenkins to the board as finance director. He was formerly finance director of Mercantile Credit and was vice chairman of the Equipment Leasing Association.

YEOMANS AND PARTNERS, a company within the Bovis Construction division of the P & O Group, has made the following appointments: Mr
Peter Craft becomes assistant
managing director. He retains
responsibility as director in
charge of building operations,
Mr Keith Davis has been made director for surveying of building and shopfitting activities.

Mr Bob Thurlow has been appointed director for commercial activities covering esti-mating liaison, building esti-mating and building purchasing. He was chief estimator.

department of the Swedish national debt office. He is expected to come to London in Mr Arthur Berghaum has retired as an executive director of LONDON & EDINBURGH TRUST but remains a non-

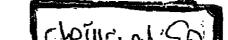
market activities in capital man ket business. He was director and head of the international loans

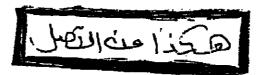
executive director. EBC AMRO BANK has appointed Mr Nigel Palmer and Mr Keith Wood executive directors. Mr Palmer is responsible for the bank's currency and coupon swap activities and Mr Wood is responsible for the personnel function.

GILES & OVERBURY, stockbrokers, has made Mr Michael Laidiaw an executive director. He was previously with Vivian Gray and is a member of the Gray and ... _ Stock Exchange. *

Mr Clive Snowden has been appointed president of the CAKE & BISCUIT ALLIANCE in succession to Mr Monny Verschueren who has left the industry. Formerly CBA vice president, Mr Snowden is market. ing services director UK division, Rowntree Mackintoch.

LONDON & SCOTTISH Mr Peter Engstrom will join ... Mr Simon Cauning has been



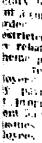


Party bill

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drinks business. It is also a rare dovetail of corporate talents. On the one hand, Distillers have an unrivalled

range of world famous brands. On the other, we at Guinness have a management team with unrivalled experience in the

international marketing of prestige drinks. By careful targetting we can position our household names to complement one another,

rather than compete. Britain's recent industrial history is a catalogue of international opportunities missed.

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FINANCIAL TIMES

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Saturday February 1 1986

Tax rules and trade rules

national trade war starting in ply providing for a future in the Pacific has suddenly flared which there will be a rise in is the widening of the US trade deficit to \$17bn in December. This is indeed a startling figure —a deficit in one month equal to the total of the much-discussed British deficit in manufactures over some three years; and it consists quite disproportionately of imports from one country, Japan. It is not surprising that the protectionists in Congress—all those who represent constituencies with especially threatened industries —are once again sounding the tom-toms. It is still less surprising that the embattled Japanese premier, Mr Nakasone, has yet again promised that correcting the trade imbalance with the US is his top priority Economists are likely to re-

gard this fuss with some amusemient, and enquire superciliously whether the Americans have never heard of a J-curve; and certainly the British business community, with its long ex-perience of balance-of-payments rises, would be more philoso-phical in present circumstances. They know that the initial effect of a devaluation is to make imports already ordered (and cometimes already at sea when he currency moves) more exrensive. It is only after a time-ag that the shift in prices leads o a shift in the balance of new orders. Even then it will renuire some budget-tightening at nome to alter the relationship between national income and national expenditure, which ulti-nately determines the balance America, however, is used to

strong international position, nd tends to believe in quickix cures. Having learned painully that an overvalued dollar -initially greeted as a symbol of national virility-hurts US raders, they seem to have beieved that a currency correc-ion would deliver an instant

Politically, then, the trouble s potentially serious, and it is ertainly so regarded in Japan. Vhile Europeans have tended o regard this squabble as a disant side-show, Japanese official aden terms of a crisis for the on the agenda both in Tokyo whole world trading system. 'his is partly a matter of pernost successful exporter, has nost at stake. Partly, though, it s a matter of sheer frustration. he Japanese Government ppears powerless to alter its wn collision course.

The Japanese, who have ana-rsed the problem adnayseum, re well aware that their sur-

the national pension burden which dwarfs the problem faced, for example, in Britain, though even here it is forbidding

However, Japanese natural thrift is exaggerated by the operation of silly tax rules—not-ably the "maruya" exemption of interest on small savings account from income tax. Allied with a steeply progressive income tax system which imposes high marginal rates on the middle classes, this has led to massive tax evasion. Japan's

120m population holds nearly 400m exempt "individual" savings account—well over half the total assets of the Japanese population. Attempts to reduce or eliminate this loophole have proved politically impossible; those who favour sane housing finance in this country will know that this is probably a literal for space have not been pro-

In the past, it is true, Japanese savings have been largely absorbed by domestic investment; but in the post oilshock era industrial investment has fallen very sharply. Indeed, it is this decline which chiefly explains the rise in the Japanese of it is due to the rush by whole. Japanese industrailists to set up The overseas plants to escape possible protectionist barriers to their direct exports. Since this inevitably increases the trade surplus which provokes protectionism, it is a rather selfdefeating precaution.

Reforms

While Japanese tax rules encourage savings they provide no incentives for investment; but in the US, tax loopholes mainly encourage borrowing and investment, but no saving. Thus tax reform in both countries, encouraging a move towards fiscal neutrality between spending an dsaving, both personally and at the level of the enterprise, would in the long run have a strong effect national thrift and the balance of payments. Reforms Unfortunately tax reform is

a slow and uncertain process, while trade imbalances, and the distress of the US farming and heavy industry sectors, are pressing matters. The fact that Japan is already in—by its standards—a recession, while the US may find that its budgetreed the problem adnauseum, cutting efforts, now partly re well aware that their sur- under the blind control of the lus reflects not only their Gramm-Rudman-Holling amendreat success as manufacturers ment, will also be deflation-f consumer goods, but their ary, will only heighten the

THE US space programme -for nearly 30 years a symbol of the imagination and aggressiveness of the country itself—is facing its most difficult period in the wake of the explosion on the space shuttle Challenger which killed all seven crew members.
As technicians at the US As technicians at the US National Aeronautics and Space Administration continue their hunt for clues as to what caused the disaster, the inevitable question has arisen: is the US consultation for the correct the correct that th US pursuing the correct strategy for space ventures which, split roughly equally between civilian and military missions, cost the country \$15bn a year.

In particular, attention will In particular, attention will be paid to the desirability of basing the programme on manned space flights of the technologically advanced but expensive space shuttle, whose development has cost the US taxpayer roughly \$30bn in today's prices since 1972.

Is the disaster, as representatives of the aerospace community claim, no more than a hiccup in mankind's exploration of the cosmos? "It will put back the programme but not by very much." says Mr Deke Slayton, an astronaut chosen in 1959 for Project Mercury and now Houston businessman. "If people stopped doing things every time they hit a problem, they wouldn't progress very far."

The events of the week, even if they fail to change the space programme in the short term, do, however, highlight criticisms in the US of the country's space activities.

For some time, critics have argued that the long-term goals perly thought out and that the chosen strategy based on the shuttle contains serious flaws. Looked at historically, the

shuttle development is one in a line of US "space spectaculars" which have guaranteed a great amount of excitement and attention but which, put together, current account surplus. Part | add up to a less than a coherent

The entire direction of the US space programme was, with hindsight, shaped by one key Laboratory—was cancelled in event; Nasa's decision in October 1962 to go to the Moon by Nevertheless, the plan is by way of injecting a spaceship into lunar orbit and from there has spent nearly \$3bn building descending to the planetary its own space shuttle launch body.

But, especially in the light of the abandonment of Moon missions—a technological blind the military.

doyen of the agency's rocket first stage of a Saturn rocket, engineers who led Germany's This was a programme borne of World War Two.

This faction wanted to pursue Only three manned missions an "Earth orbit rendezvous"- to Skylab took place and the the placing in a low orbit some station itself lost orbit in 1979, 200 miles above earth of a with bits of it landing on Earth space platform from which the amid a welter of publicity.
journey to the Moon would have During the run-up to

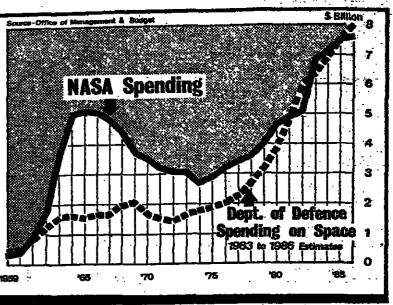
A manned platform of this type has many attractions—not just to the US but the USSR, the country's chief rival in space. It can act as a base for missions further into the solar system or for satellite lawsels.

Interedity, to lobby for political support to put the programme back on even keel with an Earth-orbit space station.

By now, however. r consumer goods, but their ary, will only heighten the strange of the same of



1975. Docking between Soviet and US space v



THE US SHUTTLE PROGRAMME

Not necessarily the best way to space supremacy

By Peter Marsh

of zero gravity. From a military point of view orbiting platform allows defence engineers to keep watch on the territories of potential

enemies or to plan the kind of space battles, using devices mise. President Nixon, in 1972, such as laser guns to shoot gave his support to the building down opposing spacecraft or of a reusable vehicle — the missiles, now envisaged under President Reagan's Strategic Defence Initiative. In the US, the military estab-

lishment has sought such "high should have been already in ground." The US Air Force's existence for the shuttle to serplan to develop its own space platform—the Manned Orbiting no means dead. The Air Force

This decision meant the US base in California. Unlike in real terms than originally was able to reach the Moon by Nasa's launch centre at Cape envisaged. the quickest and easiest route. Canaveral, the Vandenberg But, especially in the light of centre can put space craft in orbits with a high angle of inmissions in the early 1970s, it clination to the equator that led the US to pour its resources covers the Soviet Union. This into a project with very few is just the kind of space surbenefits for future space veillance vehicles of interest to

The lunar orbit strategy was the US space programme expected.

initially opposed by some key occurred in the early 1970s. The shuttle fleet and Arlane, figures within Nasa, among with Skylab, a makeshift space the latter a relatively uncomplithem Wernber von Braun, station built from the empty cated expendable rocket. The second main thrust of -has V2 missile programme during expedience and of shortage of

> During the run-up to the triumph of the lunar landings, Nasa attempted, somewhat be-latedly, to lobby for political

of a reusable vehicle— une shuttle—that would support to win financial backing in one operations in low Earth orbit. But there was no money for the station that, logically, project on condition that the condition that the

The development of the shuttle fleet—the third phase of the US space programme-was subject to tight budgetry constraints.

As a result, the first shuttle flight in 1981 was three years late. The bill was nearly twice The 24 shuttle flights prior

to this week's disaster have not been an unqualified success. Partly due to competition from Wastern Europe's Ariane rocket, demand for one of the fleet's prime jobs-lifting communications satellites into orbit been lower than

taking into orbit communications satellites, a business worth some \$500m a year.

Nasa has also been unable to bring down the costs of individual missions as quickly as it would have liked. A shuttle trip of a week to 10 days costs \$50m-\$100m, only a small fraction of which is recouped in fees from commercial customers. Before the Challenger accident, Nasa had been hoping shuttle flights would pay for themselves by 1990.

Many of these setbacks are

draining effect, both on morale and finances, of the Vietnam communications satellites in the much higher geostationary American people were in a orbit 22,000 miles above the mood to sanction more orbiting to the fringes of space; to place process of building up expertise in keeping people in orbit for prolonged periods. The strategy involved two elements—Soyuz capsules lifted into orbit using duced in the exotic conditions draining effect, both on morale to the fringes of space; to place mood to sanction more orbiting extravaganzas.

What followed was a comproserve with the complete satellites used by the Pentagon.

This last task followed from the deal that Nasa had to strike with the Defence Department shuttle had a payload bay that could lift into orbit a spy satellite of 10-20 tons, a weight too big for many orthodox

As a result, the shuttle was forced to become an unsatisfactory amalgam of three different vehicles.

With the shuttle development programme finished, Nasa has started in the past three years its fourth thrust into space. It has persuaded President Reagan, though not necessarily Congress, of the wisdom of returning once more to the goal of a manned space station.

To sugar the pill, Nasa is proposing a significant amount of international co-operation, both to keep down costs and as an instrument of foreign policy to cement ties with its Western the latter a relatively uncomplicated expendable rocket, roughly share the market of at a cost of some \$12bn.

ever, come under heavy attack, both on cost grounds from critics in Congress and from the less sensible than the less

the Soviet Union. The early Soviet space pro-

conventional expendable rockets

and a series of Salyut space stations, the first of which entered orbit in 1971. Following the six Moon landings of the Apollo programme, the Soviets gained the initiative. December 1972, in a major Iuli in US space exploration, the US managed just four more manned missions (three Skylab flights and a joint space venture in 1975 with the Soviet Union) before the first shuttle launch in 1981.

In contrast, during the same period, the Soviet Union launched 32 manned space trips, most of them to the Salyut bases. The latter (the latest, Salvut 7 is still in orbit) are by American standards technically rudimentary but functional enough to act as home for teams of Soviet space farers for up to eight months at a time.
The Soviet Union is poised to move into the next, logical, stage

of its space activities by launching in the next two years an ambitious successor to Salyur ? which would have room for up to six or so cosmonauts. The station would house Soviet people on a permanent US citizens and Russians, too.

As a result of the Soviet experience over the past decade with the Salvut stations, the scientific community, who with the Salyut stations, the suggest that the project will country is, it appears, much drain cash away from more closer than the US to exploiting modest space ventures.

In retrospect, the "fits and starts" nature fo the US space a presence in low Earth orbit.

programme looks in some ways

What is responsible for the What is responsible for the jittery nature of the US space glamourous space programme of

for manned space missions. In

in a spirit of adventure and

inquiry.
The economic spin-off and science arguments for venturing into space have always been low down the list of priorities. Economists have, indeed, produced piles of papers describing the spin-offs to the civillan economy of the US space programme of the 1960s, encompassing everything from medical equipment to computers and higher productivity in factories science arguments for venturing

puters and higher productivity in factories.

Yet the direct value to civilian activities of space work is probably minimal. The popular assertion that the Apollo programme led to the miniaturisation of electronic conditions and the development. circuitry and the development of the microprocessor is mis-taken. Such miniaturisation resulted, in fact, largely from the Pentagon's requirement for powerful, compact control hardware for use in the Minuteman missiles of the early 1960s. In the 1960s, however, the four imperatives came together, or rather President Kennedy and his supporters welded them together. As Professor Walter McDougall, a professor of history at the University of California, comments in a recent study of the space age: "Prestige, co-operation, emerging world force, viable socio-economic systems, a new frontier—Kennedy may not have known much about space, but he knew appealing slogans."

With the political and technological resources available to them, Kennedy and Webb achieved their short term goal of putting people on the Moon. Since it was not their aim, per-haps it is not surprising that they failed to lay the groundwork for a logical space pro-

What of the future? The US space programme will not stop. President Kennedy's successors are destined to struggle on with the legacy that he left them. next century, to start to occupy the moon and then other plane tary bodies. As with the space shuttle

missions, this will be done in a less than perfect way; clum-sily, inefficiently, and with some loss of life. But the fact of the accomplishment will probably be seen at that time as immeasurably more important than the details of how the goal is achieved. That is exactly the point President

IR FRANK CHAPPLE, the forier general secretary of the lectricians' union (EEPTU), is aid to have murmured of his uccessor on retiring something o the effect that: "If you think 'm right wing, wait till you see There is something in hat story even if it is apocry-hal; Eric Hammond has contantly lived up to his famous hallenge to the TUC Congress est September "You ain't seen othing yet."

A once devoted communist 'happle became and remains a evoted anti communist. He roke the grip of the corrupt ommunist-led executive, and eplaced it with a disciplined adership, headed by himself, thich owes its position to ational and regional postal address. All agreed that the nion had to be restructured to owngrade the role of its actiisits and branch officials. happle bequeathed to Hamsond a union where the left and been reduced to a powerless ump where the ballot was an rticle of faith and where the nbroach to employers was col-aborative, with industrial ction held as far in reserve s possible.

But Chapple never seriously ook on the TUC; indeed, in its eyday of power in the 1970s. e was an influential member f its inner councils. He fulmiizted against the drift to the 980s, but to the frustration of ther right-wingers preferred to ellow against it from outside he walls rather than join their plans to change it.

Himself once a left-winger, nto the Isle of Grain power ductivity and profits of their tation in Kent through picket companies as well as paying ines of insulation workers from good wages too. And he believes ines of insulation workers from inother union who claimed hat Hammond's people were

Man in the News

Eric Hammond

'You ain't seen nothing

By John Lloyd

executive.

Wrong. Hammond has fully developed a style of trade unionism which was only latent under Chapple. He accept that the market is the prime the market is the prime Japanese companies in the UK, though elements are now accommodification. lammond came to national the market is the prime Japanese companies in itention in 1980 when as execute economic force. He seeks to though elements a secure for his members agreeating elsewhere. ie led his and other members ments which increase the pro-

in consultation. depriving them of a job. When so-called "no-strike" single took over from Chapple two union agreements which he and Wapping print plant is in line rears ago, he was seen as a man his colleague Roy Sanderson with this philosophy, though



tivity, strong commitment to work, single status for manage-

The idea got oblique and surprising endorsement from Mr Neil Kinnock, the Labour leader, when he commended This is the significance of the in a speech two weeks ago. The deal at Mr Rupert Murdoch's ossible more emollient than have developed. They are much more audacious for the

moral censure of the other members of the TUC General Council, who fear the same thing may happen to them. The Council's right wing, which had begun to see in Hammond a chance this time given the postrole more furious than the left.

His intelligence and will are

occupying the place set aside for it within the social con-sensus of the past 30 years. It

If there is to be an alternative to Hammondism which is not composed in the public mind of fading calls for an unattainable solidarity, someone will have to steal some of Mr Hammond's ciothes: Before Wapping, many union leaders were already going down the same track as he, arguing with him that the individual member's right to vote must become enshrined in modern trade union practice much in the way that the workplace meeting, the forum for working people, had been for its first century and a half. Now they find he is too strong

meat and are of a mind to spit him out. But what will they be left with? And what will they offer members-to-be if a membership war develops? Interestingly, Arthur Scargill, ever quick off the mark, has drawn attention to the National Union of Mineworkers' package of financial benefits for its members following the unveil-ing this week of the electricians' marketing pitch of financial services for members. This was not something on which Mr Scargill had sought to build NUM's reputation when he bo-came its president, but he can see a cold wind blowing if others do not.

Mr Hammond now has to decide whether to take his defiance of the canons of the national to supplant the print unions in a manner at once and so allow himself to be more devious and more blatant than before.

He has thus attracted the moral censure of the other unionism outside the TUC. He will be fought all the way.

He may also face some qualms from within his own equal to those of his predecessor. He may, however, have done He is as rational and as modest the right a long-term favour. As a man as the union movement the more thoughtful of them are posseses. But if he is no longer beginning to realise, modern to be possessed by it, he must trade unionism, which expects to survive and prosper in a nationed for a long company.

BASE LENDING RATES

ABN Bank 121% = Guintess Hanon 121%
Allied Dunbar & Co. 121% ■ Hambros Bank 121%
Allied Irish Bank 121% Heritable & Gen. Trust 121%
American Express Bk. 121% Hill Samuel
Amro Bank 121% C. Hoare & Co 121%
Henry Ansbacher 121% Hongkong & Shanghai 121%
Associates Cap. Corp 121% Johnson Matthey Bkrs. 121%
Banco de Bilbao 121% Knowsley & Co. Ltd 13 %
Bank Hapoalim 121% Lloyds Bank 121%
Bank Leumi (UK) 121% Edward Manson & Co. 131%
BCCI 121% Meghraj & Sons Ltd 121%
Bank of Ireland 121% Midland Bank 121%
Bank of Cyprus 121% Morgan Grenfell 121%
Bank of India 121% Mount Credit Corp.Ltd. 121%
Bank of Scotland 121% National Bk. of Kuwait 121%
Banque Belge Ltd 121% National Girobank 121%
Barclays Bank 121% National Westminster 121%
Beneficial Trust Ltd 131% Northern Bank Ltd 121%
Brit. Bank of Mid. East 121% Norwich Gen. Trust 121%
Brown Shipley 121% People's Trust 131%
CL Bank Nederland 121% PK Finans, Intl. (UK) 131%
Canada Permanent 121% Provincial Trust Ltd 131%
Cayzer Ltd 121% R. Raphael & Sons 121%
Cedar Holdings 13 % Roxburghe Guarantee 13 %
Charterhouse Japhet 121% Royal Bank of Scotland 121%
Citibank NA 121% Royal Trust Co. Canada 121%
Citibank Savings 121% Standard Chartered 121%
City Merchants Bank 121% TCB
Clydesdale Bank 121% Trustee Savings Bank 121%
C. E. Coates & Co. Ltd. 13 .g. United Bank of Kuwait 121%
Comm. Bk. N. East 121% United Mizrahi Bank 121%
Consolidated Credits 121% Westpac Banking Corp. 121%
Continental Trust Ltd. 12ig. Whiteaway Laidiaw 13 %
Co-operative Bank*121% Yorkshire Bank 121%
The Cyprus Popular Bk. 124% Duncan Lawria 124% Members of the Accepting Houses
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Financial & Gen. Sec. 12196 months notice 12.05%. At cell when £10,000+ remains deposited.
2 Hat 1484 F10. Corp 10770
First Nat. Sec. Ltd 134% * Call deposits £1,000 and over 8% gross.
Robert Fleming & Co. 121%
Robert Fraser & Pirs. 1210g 1 Mortgage base rate.

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SAL JAME 1

A. Professor

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They were protesting against the construction of a huge tem-porary podium from which Pope John Paul II will say Mass next Saturday, and which many fear inay become a point of pilgrimage for India's 14m Christians.

The march demonstrates the sensitivity here about the Pope's 10-day tour of India which starts today. The Pope himself is aware that he may provoke hostility and unrest if he either appears to be trying to convert Hindus to Christianity or preaches against voluntary sterilisation and other artificial methods of birth control.

An alleged assassination threat has been received in the southern city of Madras where posters have appeared opposing pastoral event because the Pope has been jointly invited by the President of India and Roman Catholic bishops.

After meeting Mr Rajiv Gandhi, the Prime Minister, and the Dalai Lama in Deshi this weekend, the Pope will tour-india for 10 days, saying Masses to congregations numbering hundreds of thousands. He will will briefly meet Dr Robert Runcie: Architishop of Canter-bury, who will be starting his own 19-day tour.

Such attention to India by Christian leaders, raises susnicions among some Hindu exof missionaries and Christian conversions which can disrupt village communities, upsetting the power of local fieldoms, endangering established political allegiances, and raising the ambitions of the poorest sections of India's 740m population, especially the 150m in sche-

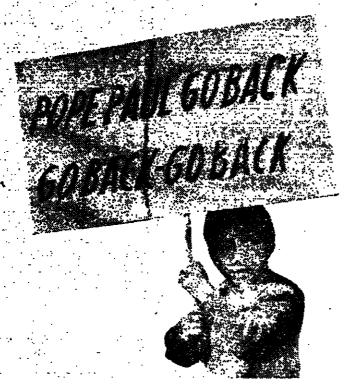
With Catholics representing only 4.7 per cent of India's population (coughly the same number as Sikhs) out of 2.6 per cent Christians, and since India only provides 1.8 per cent of the world's Catholics, the cost of the Pope's extensive visit is being criticised both by Hindus and by left-wing Catholics.

starting a Syrian community in Kerala, called St. Thomas which claims 700,000 members. Christians who are now divided and the Church of South India into Catholic, Protestant and Orthodox communities. The an orthodox group recognise catholics in the area make up the Archbishop of Canterbury about 25 per cent of India's as the world's leading Anglican

total of around 14m.
The next wave of Christianity came in the 15th and 16th states was shared out about 40 centuries when the Portuguese invaded Goa on the west coast. Christian groups. instructed by their Church predominate among the tribal both to conquer and convert population of the far north the people. They were followed eastern state Meghlaya which by Portuguese Jesuit his is to be visited by the Pope. sionaries. As a result. Christians The neighbouring tribal states provide the governing elite is of Mizoram and Nagaland are Goa, Elsewhere in India, where Presbyterian and Baptist terri-conversion was less military, torics.

Pontiff on a rough passage to India

By John Elliott in New Delhi



they tend to be found among the poor although Christians in top posts include the current Commissioner in London, Mr P. C. Alexander.

The third wave brought Protestants, starting in the early 18th century and building up with British rule. The Anglican Church was established and is now merged with Methodists, Baptists and Con-St. Thomas is credited with gregationalists into the independent Church of North India. with 1.8m. Both churches and bishop.

Missionary work in some years ago between various

Missionary work among tribal communities in such politically unstable states close chief of air force, senior poli- to borders with China, Burma ticians, and the Indian High and Bangladesh, often causes problems.

> There are about 1,990 India, including 1,285 Catholies. Their presence has been queried more closely by the Government since visa regulations were tightened 18 months ago, originally to keep extremist Sikhs out of the country. Six elderly missionaries working with tribal communities in the central Indian state of Madhya Pradesh were asked to leave last year but have yet to go. People com-plain when we lift up poor people who have provided cheap lahour for middle men, says Angelo Fernandes, Catholic Archbishop of New

Liberation theology has simi-

commercial trawlers.

"India still has to catch up with many economic freedoms, and in backward areas poor people are in thrall. So priests have to lead where there is not sufficient lay leadership and they then become a thorn in the side of the better off." says Archbishop Fernandes cautiously condoning action which has split his church.

Hindus are also suspicious that since the Second Vatican Council in the early 1960s. customs have absorbed into the Catholic church. For example in the south, Catholic congregations bow their heads to the floor in the Panchanga or Paman styleof Hindus and Muslims. Such inculturation, as it is called, is seen as a form of subversion of poor illiterate communities.

Both Archbishop Fernandes and Mr Krishna Kumar, India's Deputy Public Health Minister. say they believe the pope will not say anything about birth control, though they deny that there has been any private diplomacy to stop him speaking against artificial methods which are about to be propagated by the Covernment in a new R32.5bn (£1.9bn) five-year publicity and development pro-

Catholics often accept artificial methods, and that sterilisation of women has even been tacitly accepted by some senior South Indian clergy. But Archbishop Fernandes rejects this.

"The best possible contra-ceptive pill is development. We don't want the thinking of the West imposed on us. We propagate responsible parenthood based on an ovulation method programme which is 98 per cent successful," he claims.

Government officials are highly sceptical about such claims although Mr Krishna Kumar tactfully says: "Our embraces programme methods of family planning."

Sterilisation of women is the method favoured by the Government which hopes that 19m people will accept some form of artificial birth control this year.

A programme of advertising backed by local volunteer workers is about to be launched to persuade people not to have more than two children, to stop child marriages, to have chil-dren immunised at birth, and not to continue having children until a son is produced. India's population problem is

acute. The Government estimates that since 1951 when family planning work began. 71m births have been averted. But during that time the population has doubled and the birth larly made its mark in India's rate is still as high as 33 per often violent social disturb thousand. Since a Pope last ances, with Keralan priests visited India in 1964 the popudemonstrating in support of lation has grown by over 250m fishermen whose catches more than the entire population been lost to fleets of of the US.



HAVE YOU ever wondered what life might be like in a tiny village in the south of Italy, a village which is ruled by the Maña? To find out, just hire a car in Naples and drive 35 miles due east, up steep and curving hill roads, into the rough terrain of the Appenine mountain range. There, if you ignore the warnings of the local Carabinieri ("Don't go to that town. It is squalid"), you will come to the village of Quindici, where 3.000 inhabitants live in relative poverty, earning a living by

cultivating hazelnuts. For 25 years Quindici has been run like a medieval fiefdom by one family - the Grazianos. Over the years its members have served as mayor only to be arrested in rapid succession for murder or conspiracy or collusion with the Camorra, the Neapolitan version of the Mafia. A few weeks ago, however, the brave citizenry of Quindici stopped cowering, emerged from their broken down houses of grey and pink stone and, with the support of the Italian state, held a free election — the first since 1960 -- 10 chouse an untainted city council.

Welcome to Quindici; the village that refused to die. In recent weeks the village has recieved national media attention. It has been billed as been beaten by an unusual coalition of Communists, Christian Democrats, Socialists and Republicans, an assortment of parties which does not, as a rule share a ticket.

The mayor-elect of Quindici is 55-year-old Mrs Olga Santa- range. niello, who runs the town's only pharmacy. Mrs Santaniello, is less than 5ft tall, dresses in black and has never before had political aspirations. She joined the Christian Democrat Party only a few weeks before the historic election of January 12. when her coalition, with its emblem of the scales of justice. triumphed over the opposition by 834 votes to 667. The opposition, although it did not contain a single member of the Graziano clan, was seen as representing the old traditions.

So had was the reputation of the Graziano family that in 1983. Mr Sandro Pertini, then President of Italy, personally stepped in to dismis the then mayor Raffaele Graziano, But despite the view of Italian officials that Mr Graziano was a key ally of Mr Raffaelle Cutolo, the leader of the new Camorra, - the people of Ouindiri wil not say a word against the Grazianos. Alan Friedman takes a car to Quindici in southern Italy

In the village of the godfathers

Ouindici.

good administrators," says a "Here he seemed a good person, municipal employee, adding that "if they had other activi-ties we did not know about them, and besides, it was none of our business."

If you listened only to the citizens of Quindici you would think the Graziano family was philanthropy incarnate. A state official in nearby Avellino ex-plains that "the Grazianes lavished money on selected citizens of Quindici, just like a feudal ford would dispense largesse." When they were not being generous with their subjects in Quindici the Grazianos were, it appears co-operating with the Camorra, an organisation known for murder, extortion and embezzlement a:

state funds. The first Graziano to become Mayor of Quindici was Fiore. who took office in 1960. For 12 years he ruled the town as a kind of benevolent dictator. until, one day in 1972, while he was sitting at a local football match, a man with a revolver shot him repeatedly at close

For four years the fown went without a mayor and then Baffaele Graziano, Fiore's brother, took over. Raffaele seems to have been a Godfather figure. and his involvement with the Camorra got him arrested on murder charges. But he was acquitted and was once re-political career. elected mayor from a prison When Raffaele was dismissed

by the Italian President, he fled to Switzerland, Soon afterwards. in June 1983, the blitz against the Camorra saw hundreds of arrests in the Naples area, Last year Raffaele Graziano was arrested in Geneva, extradited. tried and convicted of organised eriminal activities. Despite this, is impossible to find anyone in Quindici who will even imply that Raffaele was not a "good administrator." Take, for example, the village

priest. Father Domenico Amelia, known affectionately as "Don Mimi." Was Raffaele Graziano

a generous person. I suppose he might have had a split per-sonality," says the leader of the Roman Catholic community of

But surely, Don Mimi, the Graziano family was part of the Camorra? "I think there are not more Camorristi here in Quindici than elsewhere, And one does not see the Camorra." Seated in his drawing room, a wood fire belching smoke into the house, Don Mimi leans forward and almost whispers: " You must understand that the Camorra moves about at night, in the shadows, in the dark." After the disappearance of

Baffaele, the next Granano to take office was 23-year-old Engenio, a nephew. Eugenio held office for 28 days in the autumn of 1984. Then he was arrested on charges ranging bland of the underworld is two from accessory to murder to steps from where we sit." Bu The last Graziano to take the

hot sout at Quindici town hall was Carmine, who was not yet when he became mayor in January 1985. Pledging that I am not with the Camorra," the young Carmine, a part-time student at the University of Naples, lasted 73 days before resigning. Unshaven, Carmine Graziano sits sipping coffee in his mother's kitchen in Quinand reflects on his brief "I was too immature to be

in politics, but I wanted to that the interview was over. prove something. Of course when the Carabineri accused me of being in the Camorra 1 resigned in protest," he explains. His mother says her son, the ex-mayor "is a good boy. He studies hard." With the resignation of Cor-

mine, the 25 years of Graziano rule came to a close in Quindici and a special commissioner moved in. Dr Costantino Ippolito, the vice-prefect of nearby Avellino who supervised has month's elections, says his first step was to "reinforce police visibility, to show the people that the state would protect

their democratic right to a free

And so, with much fanfare and not a little trepidation, the town's chemist led a state of 16 "scales of Justice" candidates to victory. Quindici is a small place, so you would have had to be local to distinguish some of the names on the hallot. For Example, the mayor-elect Olga Santaniello, was one of five Santaniellos (two Santanicllos, of different parties, had the same christian name. Salvatore). There were six Sci-bellis as candidates, including two Carmine Scibellis.

The new mayor of Quindic: agreed to be interviewed by the Financial Times and within 36 minutes she had assembled in her shop several members of the new town council, including two other Santaniellos, one -Socialist and the other : munist. The new politician-spoke proudly of the 156 graduates from Quindici, al though they noted that more than 50 per cent are un employed. They spoke of emigrants from Quindici, saying there are "little Quindici communities in London, Bosto and Frankfurt, all remitting earnings to the village.

Even though they are al members of the coalition which beat the Camorra, no one would speak all of the Graniano family Mr Salvatore Sentaniello of the Socialist Party did say that "the others, seated on little woode! stools in Olga's shop, looked up easy at this comment.

Then the mayor-elect wa that 25 years of Camorra rul had finished, that the Graziane had finelly been beaten. The shop suddenly tell silent one moved for what seemed a eternit:

Could the silence be taken a a comment, the new mayor wa asked, "Our silence is a conment, yes," replied the brat-Olga Santamello, indicatin From the narrow hill roa which wands into the mountain

above Quindic: one sees on? a collection of houses with ba tered tile roofs. In a trattori less than a mile from Quindithe owner winces slightly whe asked to comment on la month's election. Like th Carabimeri up the road, I asks: "What do you want to a there for?" Finally, who Air, Quindici. What a plac Camorra. It is another Maila. world Frankly, when it come to Quindici, we just don't was to know."

Manufacturing industry

From Projessor A. Thirlwall

Sir, - I thought Professor Maynard's article (January 29) on why the UK's trade deficit in manufactures does not matter was extraordinarily complacent. he can perhaps afford to be. But what of the lot of the un-employed or of the average citizen whose real income has

excellent report on overseas takers.
trade and the supporting Mary F. Turner.
minutes of evidence? If nothing 57 Fitzroy Road. is done, the alternative, as May nard recognises, is further slow growth to adjust the halance of payments as the oil surplus dwindles. He grossly underestimates the seriousness

of the situation.

The initial imbalance is worse than be and others recognise, and the cost of adjustment may be negative growth. If the growth rate since 1979 trol of discharges to rivers. He had been at its full capacity suggests that "the water profestate, and unemployment at its signals would not want to lose" 1975 level, the deficit in the their regulatory function, as if balance of trade in manufact this were a matter of whim or tures would be far in excess professional jealousy. But the of the actual deficit now experienced. It is true that the principle. In its response to the deficit in manufactures is no doubt partly a mirror image paper on privatisation last of the surplus on oil, but the spring, this association, acting level of activity at which these on behalf of all the authorities, balances now occur is intoler made the point strongly that one able in a civilised society which of the particular benefits of the Were there not a few omismakes the magnitude of the 1974 reorganisation of the water sions from this flattering portask of adjustment all the more industry was the uniting of the trail? How about some of the difficult if there is ever to be mechanisms for controlling disreturn to full employment. On the second point, one simply exchange rate will fall, or, that if it does fall, the balance of necessity for income adjust best use of the river r ment. These are legitimate as an integrated whole causes for concern. (Professor) A. P. Thirlwall. Keynes College.

Canterbury, Kent.

Letters to the Editor

be can: perhaps afford to be. But what of the lot of the unperpology of the average citizen whose real income has grown slower than in any other country in Europe over the post-war years such that Britain, once one of the richest countries, now ranks only 17th. The source of this malaise in the weakness of the lies in the weakness of the lot of the weakness of the lot of the unperhaps afford to be. But what of the lot of the unperhaps experienced by people when living or seeking to live functions. Water authorities arguethat it could provide that essential safeguards for the public interest and for indivisional safeguards for the public interest of the continuing relevance of last the wather that the public interest and for indivisional safeguards for the public interest and for indivisional safeguards tired and worn solution of a 2,000 miles of navigable river decisions by the wather decrease in the real exchange and canal in England and Wales, authority on trade effluent distrate, as if the demand for goods depends only on price and at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences, and ratifying water at each of our moorings two or licences. his economic theory, and has for residential craft, but these he not read Lord Aldington's are solely for the use of care-

57 Fitzroy Road, NW1. Privatisation :

of water

From the Secretary. Water Authorities Association.

Sir. — The chairman of the CBI Water Panel (January 29) misrepresents the position of the water authorities about con-Government's consultation charges and abstractions with vided a basis for appraisal of Regional Transport?

sents and abstraction licenseswhich are indeed already sub-ject to government approval that Mrs Thatcher has now told. There would thus he an the truth. She may well have appellate machinery to ensure but has she told the whole that, in the exercise of these truth? regulatory functions, the new A A authorities would deal equitably with private rights.

with private rights.

There are indeed difficult for matters purely domestic to issues here but I don't think the private office. It is usual discussion of them is helped by the somewhat cursory presents and a to the Minister in the comments of the private of the comments of the commen tion by Mr Guy. Andrew Semple,

1 Queen Anne's Gate SW1.

Views on public enquiries From D. Mathew

Sir,-It was distressing to see such favourable prominence given (January 24) to the increasingly autocratic style of the Secretary of State for

Transport. with the law, over the GLC the planning of works required long ban. Severn Bridge tolls, to provide services; this pro- and funding for London

sewage treatment works dis- What is truly alarming howof retaining within a single inquiries take up a substantial. This explanation would resolve we are being expected to dine structure, region by region, the part of the decision-making one or two of the other at the transport cafe while our operational management of the process. When the civil engin-invisteries — like the motive fellow countrymen, who live system and the functions of re-erring EDC of the National for stimulating the Solicitor from the territorial system and the functions of resource management and convice manageme

As an academic economist who of this company was given as a state Chase Manhattan Bank contact. Since the article was be can nerhaps afford to be mainly about the difficulties and privatised undertaking cannot clear warning that he intends Sir .- In charting future poli-

Sir.-In your editorial of A Minister's private secre-

tary never exercises the Minister's authority other than randa to the Minister in the third person through the private secretary. If Mr Powell never presume to screen his Minister from a message from a senior official it is also likely

some hours after the event. Union is comented.

This would be credible for a lf the principle non-urgent matter but hard to or cross-community support. credit for such a hot potato, remains alive in government Indeed it was so hot that it thinking then the Anglo-Irish this was the first time the Agreement must be consigned Prime Minister was to hear to the political dustbin. If it about the leak one would have alled at Hillsborough then the expected an oral report with Mr. SDLP can bury any hopes it Ingham asking Mr Powell if has of seeing "power-sharing." If it does fall, the balance of sewage treatment works, distracted in manufactures will adjust sufficiently without the necessity for income adjust best use of the river resource ment. These are legitimate as an integrated whole.

What is truly alarming how he could see the Prime Minister with he could see the Prime Minister in the could see the Prime We argued strongly that if because the issues are complex which puts the message in the people have the right to be privatisation were to be carried or are badly planned and pre-out, it should be on the basis sented. It is just not true that of planned action carried out. Union table d'hote. At present of retaining within a single inquiries take up a substantial. This explanation would resolve we are being expected to dinc

would seem to sit more becom-ingly on the PM's shoulders that of Fred Karno which you have bestowed upon her. (Dr) L. G. Brookes. 16 Ipswich Road. Bournemouth, Hants,

N. Ireland's

future From Mr J. Burchill, MPA

change in the status of Northern Ireland, which was thereby set apart from the rest

of the kingdom as alone being a region where the views of a foreign power are to carry more influence than those of the elected representatives of the electorate therein. This contrasts with the policy "that responsibility for affairs in Northern Ireland is entirely a matter of domestic jurisdicthe tion. The electorate of the pro-

vince has unequivocally demonstrated that opposition to present Anglo-Irish policy overwhelming: "The Ir overwhelming. "The Irish Times," itself no friend of Unionism, in its analysis of the knew about a matter referred voting statistics showed that to Mr Ingham the most likely over 77 per cent of the elec-explanation is that Mr Ingham torate rejected the Hillswas using the usual route for borough accord. It should be informing the Prime Minister noted that SDLP voters supabout it and since a PS would port the agreement for precisely the same reason that Unionists oppose it - namely that it gives the Irish Republic. that Prime Minister received in the words of their deputy the message. leader. "a toe in the door." The Prime Minister agrees Sinn Fein alone sides with Mr that she was told of the leak- King, in claiming that the

If the principle of consent.

RATES

BUI	LDI	NG :	SOCIETY
	Share	Sub'pn	Other
Abbey National	7.00	8.00	8.75/9.00/9.25/9.50 9.50 Higher interest 5.50/8.81 Cheque-8: 9.05/9.50 " City " (
Ald to Thrift	*9.20		- * Easy withdra
Alliance and Leicester	7.00	8.00	9.75 Premium Plus
Autoria Bild Foldontol	7.40	2.00	if balance left
			9.25 Gold Plus £2 withdrawol, in 8.75 Banksave Plus
			CULTER! DCCOR
Anglia	7.00	8 00	9.25 Capital share : 9.50 Capital share :
Barnsley	7.00	9.00	9.75 Capital plus £ 9.95 Şummit accou
Bradford and Bingley	7.00	8.00	8.85 Special invest. 9.50 No notice no p
Bristol and West	7.00	8.00	9.75 3 months' not 8.75 Plus account £
Side alor	7.00	a.uu	9.80 £10,000+, 9.50 Ronus, Month 9.80 Special 3-month
Britannia	7.00	8.00	9.80 Trident Super
Cardiff	8.50	8.60	9.80 90 days' notic
Catholic	7.30	8.30	9.30 30-day, £1.000
Century (Edinburgh)	8.85		9.30 Guaranteed rat
Cheises Gloucester	7.00	8.00 8.00	9.85 Immediate with 9.75 Chettenham Go
			£9,999 9 50. £5
City of London (The)	7.00 7.25	8.50 8.75	9.75 £5,000-£250,000 9.60 3 months' not
Coventry	7.00	8.25	9.00 7 days' notice 9.85 3-year bond E1
Soliting,		6.23	monthly incom 9.55 Moneymaker instant access
Derbyshire	7.00	8.25	9.75 3 months' noti
Frome Selwood	7 00	10.50	10.50 Gold Minor Ad
Gateway	7.00	8.00	9.55 Gold Star £10 £5.000+, 9.00
Greenwich	7.00 7.65	_	9.75 50-day account 10.00 6 months' not
Guardian	7.00	8.00	9.50 /9.00-8.50/8.00
		5,55	9.50 90-day xtra. 90 9.00 Cardcash (E2.0
·Heart of England	7.00	8.25	9.80 and 9.55 High
Hemel Hempstead	7.00	8.50	9.50 Monthly Incom
Hendon ,	8.00		9.00 7-day account.
Hinckley and Rugby	7.00	9.80	9.80 £20,000 High R
Lambeth	7.15 7.16	8.25	10.00 Und. £10K, 10. 9.25 £20,000 mm. S
Leamington Spa	7.15	_	9.50 High flyer—no 9.25 High flyer—C5. 10.15 Super share no
			9.85 Super share C
Leeds and Holbeck	7.00	8.75	9.80 Monthly intere Up to 9.50 im
Leeds Permanent	7.00	8.00	9.50 HRAS 3 monti £5,000+, 9 50
London Permanent	7.75	_	9.00 28 days' notice
Midshires	7.00	_	9.50/9.00 instant ac 10.00/9.75 £1,000 mil
Mornington	9.10	_	9.10 £2K, 9.25 £2K,
National Counties	‡7.30	8,55	9.80 90 days' notic
National and Provincial	7.00	8.00	9.50 APEX 3rd iss. 9.50 Special share (9.50 Money man. £8
Nationwide	7.00	-	9.00 Flexaccount de 9.50 Bonus Builder 2.75 £500+, 8. 9.50 Capital Bonds
Newcastle	7.00	8.25	9.50 (plus bonus) demand by an
Northern Rock	7.00	8.25	9.56 Moneyspinner 9.30 Moneyspinner 9.05 Moneyspinner
Norwich	7.00	8.25	9.50 90 days' notice
Peckham	7 65		8.65/9.75 immediate
Peterborough	7.00	8.30	9.75 Premium shrs.
Portman	7.00	9.25	9.85 Premplus £10, 9.60 Flexi-plus £10,
Portsmouth	7.15	8.65	10.00 3-year, 9.80 90

awar. To person a min. E500, immediate withdrawal (penalty t is under £10,000) interest annualty/mithly. 2,500+, 8.75 minimum £500, immediate nterces annualty/monthly us balance £2,500+, 7.75 under £2,500 art minimum initial investment £500 one minimum initial investment 2500 : 30 : '07 + 30 days' notice/penalty 5 90 : '407 + 90 days' notice/penalty 510 900 + 10 days' notice/penalty enn. int bunt - £1,000 + -- 3 months' notice st. (28 days' notice) 8.85 monthly inc. a/c penalty on up to 2 withdrawals per annumics without penalty £1,000+. No notice. No penalty 55 £5,000+, £1,000+ 7-day notice Triple th account, £5,000+, 3 months' notice en or ponalty if balance under £10,000 + monthly interest reinvested/paid nte 2/3 years (or variable account) thdrawal interest pen. or 3 months' notice old. No not./pens. £10,000 + 9.75, £5,000-500-£4,999 9.00 Under £500 7.00, Mly. int. O. 9.25 E1.000-E4,999 instant acc. no pan. 00, 9.25 E1,000-44,999 instant act, no pen-otice—no penalty—monthly income ce, immed, access for appoints over £2,000 £1,000+, close 90 days' notice and penalty, me option, quaranteed 2.85 differential £10,000+, 9.30 E5,000+, 9.00 £1,000+ is no penalty, monthly income option bites. Up to 9.50 no not/pen, monthly int. secount for 0-18-year-olds 0,000+ No notice. No penaltirs. 9.30 0,000+ monthly interest available nt (no notice account 8.75-9.25) otice £1,000 min. access to bal. £10,000+ instant xtra (minimum £500) 0 days' notice/no penalty (minimum £500). .000+), 7.00 (£1-£1,399) interest. 8.50 Gold Key ne, 8.75 28 days, 9.00 50 days L. Minimum £500 3-month 9.75 Rise wdl. no pen. Rate varies with balance).25 ov. £10K mag. a/c 6 w + loss of int. Spa in. mly, no not./pen. 8.75 C5,000 mm. to notice/no penalty £10.000 minimum 5.000 minimum penalty £10.000 minimum 6.000 minimum 5.00 £20,000 minimum £5,000 minimum 5.55 £2,000 minimum est. 9.25 28 days', 9.80 60 days' notice ths' notice. Liquid Gold 9.00 C500+, 9.25 £10.000+. No penalty/no notice co or inimed. wdl. no pen. if bel. £5,000+ necess/no penalty £100 minimum balance animum balance, 20 days' notice/penalty 9.35 £10K +. 9.50 £20K + ce, no penalty £10,000+. \$£1,000 ce, no punity 1.0,000+. \$21,000 (+2.50 gtd. 3 yts.) 60-day notice/paralty 50-day notice/penalty unless £10,000+ 25,000+. No notice, no penalty isashlink £2,000+, 7.25 £25-£1,999 if £10,000+, 9.25 £5,000+, 8.00 £2,000+, 1.00 £100+, no notice, no penalty in 3 yrs. 2.5 gtd. drif. 90 days noticen. wo-year term, 9.25 7 days' notice. On plus £5.000 or more, instant access
plus £5.000 or more, instant access
plus £500 or more, instant access
ca, no penalty £10K+ no panalty/notice
a withdrwl. if over £2,000. Monthly Incom inst. acc. £5,000+ (8.95 under £10,000) 0,000+, rein. £1 9.25 3 m. not. or 1 m. pn. 1,000+. Minimum £500 8.00. No not./pen. 10.00 3-year, 9.80 90-day, 9.15 30-day, 8.70 7-day 8.85 Instant access minimum E500 9.80 Min. E5.000 3 m. not./pen. Balanca E10,000 no not./pen. 9.50 Min. Escape Signature 10.25 2 years, 10.00, 9.75, 9.50, instant or notice 9.25 Instant access, 9.50 monthly income 9.00 3-year term. Other accounts available

9.00 3-year term. Coner everythe averages 9.75 2-year term £10,000+, 9.50 £500-£9,999 wdrwl. available 9.80-5.75 Moneywise cheque-Visa. Interest varies with bel. 9.76 Super 60 2-yearly interest £500, wdl. avail., mithly. inc.

9.76 Super ou "-yearly interest Edu, wol. avail., mithly, inc.

No notice—no penalites—ministum £1.

9.00 Prime £500+, 9.25 £5,000+, 9.50 £1,000+, n not./pen.

9.52 Capital. 90 days' notice/penalty. Minimum £500.

9.50 Plet. key £16,000+ wdf. no pen. —£10,000 60 d. nt./pn.

9.50 Classic key monthly income 7.00 7.89 All these per cent rates are after basic rate tax liability has been settled on behalf of the investor

9.00

9.35

7.50 7.00

7.00

7.00

9.50

Town and Country

Charles Batchelor looks at the audacious £173m bid for Extel

Demerger with a difference

BRITAIN'S wave of takeover activity has produced some highly innovative bids in recent months, but few are as unusual as the audacious £173m offer launched yesterday for Extel, the business and sporting information group. The bid is being made by a newly created company called Demerger Corporation — which sums up its plans for Extel. The men behind it are not names well known to the City. They include a 31-year-old merchant banker. chairman of a small textile

Their demerger plans and the financing of the bid are also highly unusual.

pic medal-winning Conservative

"Its difficult to take this bid seriously," said Mr Alan Booker. Extel chairman, last night. "The background of these people, their track record, as well as any cash element in the bid are non-exis-

But Demerger Corporation is

in turn highly critical of Extel, and claims the origins of its bid lies in the group's mishandling of a project in the Middle East. Mr Peter Earl, the corporate inance specialist behind the Demerger plan, says his experience of working with Extel on a plan o launch a Middle East version of Extel's famous "cards" of orporate information, showed up the weakness of Extel's

While Extel's people on the round responded quickly to the hallenge it took two months to et a boardroom decision and the whole project dragged on for two ears. This allowed two competi-ors to get in first with their own nformation systems on Middle

East business, Earl says. Mr Brooker responded that extel had been exploring the fiddle East market but was not onvinced it was sufficiently arge to justify such a project. n any case this venture was nimite in the context of Extel's otal business.

Earl, formerly with Urion lank and Arab Banking Cor-toration, and Michael Rhode, oint founder of the Loudon omputer software group. Skyci, started thinking seriously bout the potential of Extel last December. Rhode felt Extel was of making enough of its enor-tous bank of financial and porting information.

of Extel. It is an

vo men devised the Demerger just over two years ago.

EQUITY GROUPS

& SUB-SECTIONS

el slocks per section

Property (51) _____ Other Financial (26) ___

British Gover

5-35 years .

3 Over 15 years.

5 Ali stocks ..

7 Over 5 years

6 5 years....

CAPITAL GOODS (213) _ 600.51 Building Materials (24) _ 652.25 Contracting Construction (27) _ 950.48

Food Manufacturing (22)... 578.90 +0.1 10.42 4.37 12.42 Food Retailing (14)... 1713.71 -0.5 6.84 2.67 19.75 Heath and Hassehald Protects (9). 1316.26 +0.5 5.81 2.49 20.22 Leisure (25)... 773.55 +0.9 7.30 4.46 17.49 Publishing & Printing (13). 1947.10 +6.7 8.68 4.68 14.53 Packaging and Paper (15). 368.13 +1.7 8.90 4.09 13.36 Stores (43)... 743.39 +0.2 7.20 2.92 18.79 Textiles (1.6)... 430.70 +1.5 10.30 4.02 11.01 Tebaccos (3)... 950.58 -14.13 4.88 8.02 9THER \$ROUPS (85)... 723.60 +1.0 9.45 4.31 13.87 Chemicals (16)... 430.70 +1.5 10.30 4.02 11.01 13.87 Chemicals (16)... 788.11 +1.1 12.70 4.92 10.41 0ffice Engineers (4)... 238.61 +0.6 6.67 4.27 17.87

roperty (51) 302.38 +2.0 5.45 - 5.45 - 5.45 +2.0 - 5.45 - 5.45 - 672.43 +0.8 5.90 3.67 22.68 her Financial (26) 296.36 - 8.18 4.46 14.67 restruent Trusts (103) 658.85 +0.2 - 3.26 restruent Trusts (103) 268.87 +0.2 - 3.26

FIXED INTEREST

+0.11

117.41

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Equity section or group

9 Rebenhares & Leans . 109.48 +0.18 109.28

Other Industrial Materials

Mechanical Engineering

Overseas Traders

Office Engiomen

lustrial Grov

xd adj. today

117.29

+0.31 127.73

+0.33 134.11

-0.18 147.75

+0.24 126.83

+0.13 107.96

+0.61 107.04

+0.03 107.21

80.97 +0.18 80.82

nd adj 1986 to date

0.94

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0.00

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6.00

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0.12

0.32

Base date 30/11/84

30/12/83 31/12/80 30/12/77 31/12/74

31/12/74

31/12/71

16/01/70

31/12/70

le from the Put

DIVISION	AL ANALI	rsis		
	Ťu	mo¥er	P	rofit
	(%)	(£m)	(%)	(£m)
Sporting and filmancial services	21	37.72	57	6.75
Printing	17	30,48	21	2.51
Advertising and PR	42	77.94	15	1.72
Publishing	ii	19.93	23	2.66
Computer systems	9	16.44		*1.85
Total	700	782.51	100	11.78
" Loss.				

troversial.

For each Extel share Demerger will offer:

pany which will own Extel's core

• One 1p share in each of four

● 205p nominal of 7 per cent unsecured loan stock due 1989

and guaranteed by New Demer-

The Demerger team have put £1.5m into their company and

will end up with 15 per cept of

Extel's information business with

existing shareholders owning the

Demerger intends to create a

market for the loan stock and shares of the four non-core

shareholders to dispose of all or

some of their holdings. It will

hold a golden share in each

company giving voting control

but no economic interest until parts of the business—such as

Burrups or Benn-can be floated on the Stock Exchange as inde-

Earl claims the beauty of the

ing shareholders to enjoy the full

benefit from a rejuvenation of

Institutions will not cream off

The Demerger proposal

the profits as would be the case

in an institutionally-backed buy-

avoids the expense-often run-

ning into millions of pounds-of

"This is closer to a proxy fight than a takeover battle," Earl

"This is the junkiest of junk

Earl conceded there were simi-

0.80 596.93 589.44 589.36 546.94 680.51 31/1.86 483.30 25/7.85 600.51 31/1.86 50.71 13/1.274 8.34 658.75 639.39 636.36 487.81 652.25 31/1.86 472.11 26/2.85 652.25 31/1.86 44.27 11/1.27/4 1.80 945.90 928.25 928.04 720.72 963.49 30/10/85 684.17 8/3.85 963.49 30/10/85 71.48 2/1.27/4 0.00 1661.64 1633.39 1631.88 1618.31 1701.64 22/1.85 1289.36 10/7.85 1999.33 3/6.83 84.71 25/6.62

0.00 296.59 283.52 279.78 240.87 302.38 31/1.785 220.65 3/1.785 302.38 31/1.786 0.19 666.94 659.63 658.46 623.43 699.58 13/1.1785 585.78 10/7.785 679.58 13/1.1785 0.18 296.45 293.77 292.59 293.31 312.36 11/1.1785 261.32 267.785 312.36 11/1.1785

30 750 1,000

9.92 20.46 10.47 11.58 10.94 10.60

10.23

4.72 3.89 3.69 3.73

12.37 11.76 11.70

7 12.10 12.13 13.00

Equity section or group

Fri Jan 31

9.91 10.43 19.44 11.56 10.91

10.57 11.71

11.12 10.67

4.70 3.89 3.68 3.73

12.29 11.81 11.59

Insurance Broker Mining Finance...

All Other ...

Debs. & Loans...

FT-SE 100 Index.

0.48 (657.24) 653.44 (653.42 (604.30) 658.85 31/1/86 557.78 31/7/85 (658.85 31/1/86) 71.12 13/12/14

11.09 10.86 10.49 11.82 11.33 10.75 11.92 11.49 10.82 10.23

0.0 0.0 0.0 0.0

12.26 12.08 12.07

Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

a conventional takeover hid.

the Extel camp yesterday.

seen," said Mr Brooker.

Year

28 (approx.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Wed

29

Mining Finance (5) _____ 268.47 +0.2 12.46 5.79 9.34 8.00 267.98 267.00 267.00 293.15 311.08 15/4 /85 240.20 5/8 /85 337.57 10/4 /84 66.31 30/9 /74
Overseas Traders (14) ____ 620.43 +1.6 13.48 6.74 8.77 0.00 610.93 605.55 604.90 674.69 687.15 22/1 /85 562.27 15/10/85 687.15 22/1 /85 782.06 25/11/85 61.92 13/12/74

Index Day's Day's Jan Jan Jan Jan Jan Year No. Change High Low 30 29 28 27 24 ago FT-SE 100 SHARE INDEX. 1435.0 +5.9 1435.5 1427.4 1429.1 1421.0 1426.3 1405.0 1392.0 1272.6 1455.5 25/11/85 986.9 23/7 /64 1455.5 25/11/85 986.9 23/7 /64

5 years. 15 years.

| Index-Lance
|

Coupons

Base value 517.92

1646.65 287.41

100.00

153.84

162.74

ishers, the Fin

CONSTITUENT CHANGES: French Kier (Hidgs) (3) has been deleted and replaced by Erness Lighting (48).

High

Tues

pendent companies.

their company.

information business

operations of Extel.

Corporation plan to take over Extel. They would hive off the advertising, public relations. printing, publishing and computer operations, allowing Extel to concentrate on providing a financial and sporting information service.

Earl and his team believe the

rapid diversification away from information services in the 1960s has obscured Extel's image in the City and diverted management time and the conpany's financial resources away developing the core business.

torical price/earnings ratio of 26 on the eve of the bid with the p/e ratio of 35.9 enjoyed by Reuters Holdings, the nearest comparable company. "There is no point in having a low p/e ness of a consismerate when some of your activities are high p/e businesses," Earl said.

The Demerger team also believe that, freed from the need to refer decisions to a hourd representing a wide variety of separate businesses, the indi-vidual parts of Extel could respond more rapidly to new opportunities.

Despite problems in the advertising division in 1981 and a downturn in printing and computers in 1983 Extel has increased both earnings per share and dividends by 14 per cent a year over the past five years. However, pre-tax profits rose even faster, by an average of 29 per cent a year from £3.1m in 1980 to £10.9m in 1985. Turnover rose by an annual 20 per cent from !72m to £182m.
The Exchange Telegraph Con-

pany started life in 1872 but it was not until the 1960s that rapid expansion and diversification began. It expanded into printing with

the purchase of Burrup, Mathieson in 1964 and into "We first thought about selting advertising with the acquisition p as a rival." Earl said. "We of Royd's group in the lale 1970s. It we couldn't swallow the In 1980 it bought Digital Microsystems, a US computer software cohani." group adding a publishing arm But after further thought the in the form of Benn Brothers

Fri Jan 31 1986

+0.6 9.50 3.83 13.22 +0.2 10.10 4.16 12.40

Est. Gross Est. Vialing Drv. PrE vol adj. Vield % Vield % Ratio 1986 (Max.) (ACT at (Met) to date

larities between his plans and the methods of the noted US corporate raider, Mr T. Bonne Pickens. The similarity lay however not with Mr Picken's use of junk bonds—high yielding securities which are not rated as investment grade by the credit rating agencies—but in his use of royalty trusts. of royalty Lausts,

Earl claims the Demerger plan mirrors the royalty trust tech-nique of putting core revenue earning businesses (oil wells in Mr Pickens' case) into a separate The method devised by Earl and his team for acquiring and breaking up Extel is innovative trust to maximise the return for shareholders. Hill Samuel launched a strong and likely to prove highly con-

attack on the lack of any cash element in the bid and the imporrole played by the lean

• Two 10p shares in New Demerger, a newly-formed com-The £87m of loan notes that will be issued to help finance the deal will leave the five companies with a massive debt burden costing up to £6m a year to thinance, even at the modest 7 per cent coupon proposed. Hi) Samuel described the offer as newly-created companies which will own the printing, the advertising and public relations, the publishing and the computer

a house of cards."
It also criticised Demerger for awarding itself 15 per cent of Extel's core husiness as payment for putting together the deal and the role of the golden share for giving control without commit-

The lack of any cash element in the bid means Extel shareholders wil be judging the offer solely on the record of the Demerger team.

Mr Early, still only 31, founded his own merchant bank, Ifincorp, Earl, last May with the backing businesses to allow existing of a Luxembourg-based fund management group owned by Middle Eastern interests.

Mr Rhode, chairman designate f Demerger, is chairman of Finlan Group, the construction and property investment group which failed in a hotly-contested bid for Lincroft-Kilgour, the textile group, in 1984. plan is that it allows the exist-

The other two non-executive members of the team are Mr James Adams, assistant editor of the Sunday Times, and Mr Colin Moynihan, Conservative MP for Lewisham East.

A key role in the bid may be played by Dr Ashraf Marwan, son-in-law of the late President Nasser of Egypt. Dr Marwan has a 10.9 per cent stake in Extel, built up during the past eight

The Demerger proposal provoked a strong response from The Demerger team said they had had no contact with Dr Marwan before launching the bid. Dr Marwan is however a non-executive director of Inncorp, bond offers the market has yet the Luxembourg based trust. See Lex

Hanson increases stake in Bowater

Hanson Trust, the industrial holding company, has increased its stake in Bowater Industries, the paper group, from 10.01 per cent to 11.71 per cent. Bowater's shares rose to close last night at

The move comes as Hauson is in the middle of a fiercelycontested £1.8hn takeover hid for Imperial Group, the tobacco, food and drinks

husiness.
Hanson's only comment
yesterday was that the
Bowater holding was an investment. Hanson first dis-closed a stake in Bowater last July, when it revealed it held 7.03 per cent of the group.

Yarrow rejects increased bid from Weir

By Martin Dickson Weir Group, the engineering company, yesterday in-creased the value of its takeover bid for Yarrow, its Glasgow neighbour, by about 16 per cent. But the revised and final offer, which values fellow engineer Yarrow at £20.4m, was immediately rejected by the company as " a

Weir, which already owns 28.2 per cent of Yarrow, is now offering seven of its own shares, plus 460p in cash or A loan notes, plus B loan notes with a minimum nominal value of 20p, for every two shares in Yarrow.

Based on Weir's closing price last night of 79p, down p, and taking the loan notes at par, the offer is worth 509p for each Yarrow share, and values the entire group at £20.36m. That compares with Yarrow's close last night of 560p, down 20p.

However, Weir will in-crease the B loan notes by the entire value, after tax and expenses, of any compensa-tion received by Yarrow for the nationalisation of its shipbuilding activities in a case before the European Court of Human Rights. Weir, advised by Morgan

Grenfell, argued yesterday

that the Yarrow share price already incorporated a premium in anticipation of compensation from the Court. The main changes in its terms are a 140p increase in the cash element and an agreement to pay 100 per cent of any compensation to shareholders, rather than 70 per cent. This follows a decision

any compensation in full. Yarrow has also announced plans to bring forward payment to shareholders of £7m— 175p a share—of compensation already received for nation-

by Varrow to pay shareholders

alisation. Yarrow, advised by Baring Brothers, said last night that the revised Weir offer represented a mere 8.9 times prospective earnings—after allow-ing for the capital repayment —and "fails lamentably to recognise the true value and potential of Yarrow."

It repeated its argument that a takeover by Weir would damage the business of YARD, which is involved in architecture marine engineering.

But Weir retorted that proposals made as part of Yarrow's defence would shrink the size of the con-pany and should be of serious concern to shareholders.

Prestwich ends contract with Heron

Prestwich Holdings, the Manchester-hased entertainments company, has agreed to pay Mr Gerald Ronson's Heron Corporation £1.25m to release Prestwich from and restrictive covenant agreements over its video cassette operations. Prestwich is also paying Heron £600,000 to acquire 100,000 pre-recorded video

cassettes.

News of the agreement sent Prestwich shares higher and they closed at 132p, up 14p on the day.

The deal terminates a contract entered into in Septem-her last year which granted Heron a royalty for six years on the gross receipts of "The Video Collection"—a catalogue of pre-recorded cassettes launched by Prestwich.

In addition. Heron has released Mr Paul Levinson, chairman of Prestwich, from coventants be entered into earlier to restrict his entry into certain fields of video.

Prestwich also said it had extended with October 1880. extended until October 1986 a contract under which Wool-worth purchases budget tapes only from Video Collection.

Normans

Loves

9.64 31/12/85 9.98 18/10/85 10.00 18/10/85 10.58 4 /10/85 19.30 18/10/85 9.96 18/10/85 10.65 4 /10/85 10.09 29/7 /85 9.58 18/10/85

4.66 24/1 /86 3.87 28/1 /86 3.61 24/1 /86 3.71 28/1 /86

11.06 10/10/8

Base value 114.13 114.13 96.67 100.00 100.00

100.00

1000.00

11.5% 28/1 /85 11.20 28/1 /85 10.72 29/1 /85 12.39 28/1 /85 11.63 28/1 /85 12.53 28/1 /85 11.76 28/1 /85 11.76 28/1 /85 11.63 29/1 /85 10.49 28/1 /85

5.18 14/1 /86 4.01 20/1 /86 4.23 14/1 /86 3.85 14/1 /86

12.78 27/1 /86

12.37 29/1 /85 12.37 29/1 /85

Base date 29/12/67 29/12/67

29/12/67 29/12/67 10/04/62

31/12/75 30/04/82

31/12/77

31/12/77

13.14 29/1/85 11.73 25/10/85

The heard of Normans Group earlier this week formally rejected an approach from Mr Lew Cartier the supermarket chief. In the middle of January Mr Cartier revealed a nine per cent stake in the company and made a number of detailed proposals for reforming it which included making him chief exc-

Wolverhampton increases offer for Davenports

yesterday for Davenports Brew-ery (Holdings) in a streamlined hid which puts a cash value on the Birmingham brewer of E33.6m compared to the E32.1m

Mr Charles Tidbury, chairman of Davenports, speaking at the annual meeting yesterday said:
"In the opinion of your board
the terms set out in W & D's proposals are inadequate." The increased offer, with a

share alternative, replaces an original split level offer and reflects W & D's continuing attempts to woo the support of the Baron Davenports Charity Trust which holds a 19.95 per cent interest in Davenports. W & D has a 16.06 stake in Davenports. The first offer, made in mid-

January, was conditional on the support either of the Davenports

Wolverhampton & Dudley or a share option. If the charity Breweries increased its offer lowever agreed to sell 14.2 per yesterday for Davenports Breweries (Fig. 14.2) per cent of its stake to W & D. taking ts stake up to 29.9 per cent, and trrevocably committed itself to accept the offer for the rest W & D would have made a general \$2550. ral offer of 395p.

The revised bid follows a request by the charity trust for

extra time to consider W & D's proopsals. A new preliminary February 4 deadline has been given.

The revised and final offer is
415p in cash for each Davenports share of 14 W & D shares
plus £27 nominal \$5 per cent
convertible unsecured loan.
stock in W & D for every 20 Davenports shares.

A formal offer for Davenports will only be made with the sup-port either of the board and or the charity trust. However W & D has redefined the support it support either of the Davenports
board or the charity trust. If seeks from the Charity, asking
the board had recommended the it to accept the offer for all its
offer or the charity trust indishareholding by the first closing offer, or the charity trust indi-cated it would self its stake, the date, unless a higher offer is offer would be 375p per share made.

Guinness bid jeopardises 1,000 jobs says Argyll

BY DAVID GOODHART AND MARK MEREDITH

Mr James Gulliver, chairman of Argyle, said in Glasgow that 1,000 jobs could be at risk if the agreed merger goes through. Most would go as a result of overlap between Distillers and Bell's Whisky which is owned

by Guinness.

Mr Gulliver claimed that up to 800 jobs could go at Bell's bottle producer. Canning Town Glass, because Distillers would be anxious for Bell's to use spare capacity within United Glass in which Distillers has a 50 per cent

He added that 120 jobs might be in jeopardy integrating the Bell's head office in Perth with that of Distillers in Edinburgh. The outlook for a further 350 jobs at Bell's bottling plants was uncertain and 200 jobs at independent grain whisky producers who supply Bell's could also go. Guinness dismissed the Guinness dismissed the Argyll suggestion as utter nonsense and a disgraceful rumour.
"It shows how little Mr Gulliver knows about the whisky industry." a Guinness spokesman said.

THE ARGUMENT between given any public assurances Guinness and the Argyll Group over the take-over of Distillers yesterday took the form of a dispute over job losses in the event of Guinness's current event of Guinness's current E22bn agreed bid succeeding.

Mr. barrer Guillierr chairman asso clarity one of the other main points of contention in the takeover—Distillers' agreement to pay a large part of Guinness's underwriting costs. It now appears that the total costs (mainly but not wholly underwriting) will amount to £25m of which Distillers is committed to

paying £16m.
Argyll believes, following legal advice that there is a strong likelihood that the agree-ment is unlawful under section 151 of the 1985 Companies Act, which deals with the use of a company's funds to purchase its own shares. However, Argyll now seems certain not to take action itself at least until the offer document has revealed the

which Distillers is committed to

full details.

The controversial Guinness/
Distillers merger is likely to be
raised in the House of Commons on Monday night, in an adjourn ment motion by a Scatish Liberal MP Mr Malcolm Bruce. The Take-Over Panel, too, will be discussing the merger again next week following a complaint from Distillers about an adver-

Wholesale Fittings shows little change in first half

Wholesale Flittings, the Essex- • comment based wholesale electrical distri-butor, saw its profits little changed on turnover up by 11.5 per cent in the six months to October 25 1985.

Earnings per 10p share however rose from 8.3p to 9.5p and the interim dividend is raised ten per cent from 1.7p to 1.87p.

Turnover improved from £17.22m to £19.21m with pre-lax profits showing an increase of £113.000 to £2.22m. Last year the company reported pre-tax profits of \$4.92m from which a total dividend of 6.7p was paid.

First half operating profit came out at £1.92m, against £1.76m, with a further £303,000 (£348,00) from interest received. The tax charge was £888,000 (£950,000).

The directors say that during the period the new depots at Ashford, Kent and Birmingham

profits on an 11 per cent rise in sales is at first sight a dis-appointing result for Wholesale Fittings. On closer inspection Fittings. On closer inspection the decline in margins reflects a brave expansion programme and conservative accounting policies rather than any underlying deterioration in trading. Following a higher incidence of bad debt in the industry, the com-pany has doubled its debt pro-vision, but is now hoping that it has been overly cautious. Furthermore, the costs of opening new depots at Birmingham and Ashford were borne in the first six months, while they will not begin to contribute to profits until the end of the current year and the beginning of next. The second half has started well, making full year profits of £5.3m look easily attainable. A prospective p/e ratio of 12 with the shares down 5p at 270p seems

L & N £11m settlement

BY LIONEL BARBER

struction and health care group, has made an out-of-court settlement covering legal proceedings over a Middle East contract at a total cost to the group of £11m. The film costs will be cut to a net figure of ffun after tax relief which London & Northern will receive at the end of the current year.

The legal action has cast a shadow over the group since it was first revealed six months ago. There were fears that the total cost could be as high as Last night, London & Northern shares closed at 71 p. up 12 p on the day. Before the announce-

men! last August they were trading at 85p. Under the out-of-court settlement, the unnamed party in dispute with London & Northern has agreed to waive its claims.
Some £5.25m, which has been paid into ex-row, has been released back to the group.

An agreement covering un-specified (ces between London & Northern and the litigant has now been terminated. The full cost of termination will be revealed in the accounts for the

London & Northern, the con- year ended December 31 1985, which will be presented in the summer.
Mr Clifford Mullet, London &

Northern's company secretary, said yesterday that the group had yet to decide whether to treat the £11m as an exceptional He said that the cost would

reduce the group's 1985 retained earnings by fifm (after tax on the balance sheet) after taking into account too the provision of on 000 made in the previous financial year's accounts and tax

Last October, London Northern Northern announced pre-tax profits for the first half of £7.94m, up £469.000 on the previous year. Turnover from £108.7m to £147.7m.

NORDIC INVESTMENT Trust, which obtained a full listing last June, has reported a post-tax profit of £131.504 for the six months to end-November 1985. Earnings per 10p share were 0.94p and net asset value per share at the end of period was 58p. There is no interim dividend and no comparative figures. figures.

Corre- Total

DIVIDENDS ANNOUNCED

Date

payment payment div. year J. & J. Dyson tnt Fleming Enterprise ...int April 4 Mar. 4 Mar. 7

Vosper to pull out of Singapore shipbuilding

Vosper, the UK private sector marine and engineering com-pany, is pulling out of shipbuilding in Singapore and is still losing money on its UK hovercraft

building activities. The company presented a peti-tion in Singapore's Righ Court yesterday for the winding up of Vosper Private, which has run out of work. Its products inclu-ded small naval and offshore tax in the year to October 31, 1985.

The Singapore losses had continued at between £300,000 and £400,000 a month, said Mr Kenneth Ford, financial director. The workforce was reduced late last year from 450 to 270 people.

Hampshire-based Vosper, con trolled by David Brown Hold-ings. said Vosper Private had net assets attributable to share-holders of £4.6m. This look account of S\$2.1m (£700,000) of guarantee given to the Singapore company's banks. No esti-mate is possible as to the outcome of the liquidation.

Vosper may become liable to repay \$83.5m (£1.2m) in long-term loans by Vosper Private to its parent company. With UK activities near the limit of borrowing facilities, talks are being held with one of the Singapore

company's banks to clarify the position on the guarantees. Mr Ford said the Singapore yard's closure stemmed from problems in shipbuilding and the local economy. He added that the UK company expected to win more orders in the next few weeks for its Hovermarine craft. which combine the features of

a hovercraft and a catamaran. Vosper hopes to hear soon the result of its f60m claim for increased compensation on the nationalisation of its warship yard in the UK in 1977. It received £5.3m at the time. Vosper Thornycroft recently a management buy-out.

Wadkin and T. Robinson suspended

By Lionel Barber

Shares in Wadkin and Thomas Robinson, two spectalist engineering companies, were supended yesterday peuling an announcement, which market analysts said could presage a bid or a merger.

Last week Wadkin, the Leicester-based woodworking machinery and machine tools company, disclosed that it had received a bid approach from an unnamed predator. The news sent Wadkin shares racing up to 170p. closing at 156p, up 16p on the day, Wadkin was suspended at 170p resterday.

Losses return at Smith Whitworth

Smith Whitworth, the Roch-dale-based textile machinery maker, fell back into losses in the first half of 1985-86. However that is in line with the statements of Mr J. A. Barker, chairman, made with last year's annual figures and it is expected that the group will be back in profit in the second half.

In the six months to the end of September 1985 turnover feil from £2.42m to £1.46m and the pre - tax loss was £129,000 (£131.000 profi). There was no tax charge against £500 and the loss per share was 3.26p (3.22p earnings). There is again no interim dividend.

The directors say that Careful

Cut, the specialist floorcovering distribution offshoot, set up 21 years ago, made substantial progress during the past few months and is expected to make a small profit in the present half.

London Securities

London Securities, formerly Amalgamated Estates, has almost halved its losses from £301,000 to £157,000 for the six months to September 30 1985.
Rental income increased from 2367,000 to £480,000 and operat-

ing losses fell from £305,000 to £238,000. There were also profits on disposals of investments of £81,000 against £4,000.

The directors have begun to streamline the company into two divisions. divisions covering property investment and investment management. These are beginning to take shape, they say, and a further statement will be made in the annual report.

Additional information about

developments at Explaura Hold-ings will also be included in the report. The directors say that although representing only a small investment for the com-pany, they are nevertheless very exciting.

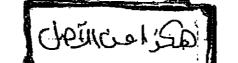
exciting.

There was again no tax for the half-year, and losses per 5p share felf from 0.8p to 0.11p.

Burnett support

Shareholders in Burnett & Hallamshire, the troubled coal mining and property group, have raken up 1.05m new shares—less than 1 per cent—of the 120.3m on offer as part of the company's capital reconstruction. The remainder will be taken up by hanks taking part in the reconstruction. struction.

> LADBROKE INDEX 1,158-1,162 (+6) Bared on FT Index



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tinuous publication and is of course, the only investment

publication in the UK which devotes all of its day and all of

its research to the study of 'penny shares' - which to buy,

when to leave alone and which just could be the next Polly

Peck or Pentland Industries. inspired by the success of

their amazing Reebok shoe, both of which started life off as

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ands of percent. What you may not know is that you would

have read about both these shares first and only in The

Penny Share Guide whilst they were still 'penny' shares. In

fact, they were recommended several times, so PSG sub-

You must remember, of course, that 'penny' shares are

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tor of the market. For our part we have put a lot of time and

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likely to double in 1986 and who knows, the next Polly

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like that to make your fortune for all time. If you would like

FT1/2

scribers were able to buy with the field to themselves.

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INTERNATIONAL COMPANIES and FINANCE

McDonnell

dividend as

profits rise

\$2.36, following a sharp down-

turn in the third quarter of

For the year, earnings rose from \$325.3m or \$8.10 a share

to \$345.7m or \$8.60. Revenue

advanced from \$9.66bn to \$11.48bn, with \$3.09bn (\$2.62bn)

The company said earnings

growth did not keep pace with

that of sales in both the quarter and the year. This reflected a

loss of \$109.3m for 1985 in the

information systems business, compared with a \$45.3m deficit

In both years the losses in-

costs connected with acquisi-

systems losses resulted mainly from the failure to achieve ex-

pected sales growth. This was

related to a broad slowdown throughout the US computer

computer-related

coming in the final quarter.

By Our Financial Staff

raises

Tokyo court backs Sanko rescue plan

THE TOKYO District Court Mr Congo Tsuboi, ex-president yesterday approved a rescue attempt for Sanko Steamship, the world's largest tanker operator. The group failed last August with debts of Y530bn (\$2.7bn), the largest in Japanese history, report from Tokyo. agencies

Sanko formerly operated a fleet of some 230 tankers and bulk carriers. It had filed for court protection from its creditors, along with several of its smaller affiliates.

Yesterday's decision came after court-appointed receivers obtained pledges from creditor banks and trading houses to co-operate in a rehabilitation plan. No complete accord among the creditors has yet been reached.

The court ruled that Sanko should start taking steps for a financial reconstruction under tee for Economic Development; the two others.

of Tokyo Tanker Company; and Mr Mitsuhide Miyata, former president of the Japan Federa-

The court decision followed a report last month by Mr Miyata, that a restructure remained possible.

A tentative plan drawn up by a group including Mr Miyata calls for Sanko's operating fleet to be halved to 130 vessels, mainly bulk carriers, chartered from the country's leading trading houses. Charter contracts with foreign shipowners would be ended by paying a cancellation fee of 5 per cent. The company's workforce would also be reduced by two-thirds

to about 700. Diawa Bank, Tokai Bank and Long-Term Credit Bank of Japan, the three lead banks, have already agreed to lend Y20bn to Sanko. Daiwa has three receivers. They are Mr since decided to provide Seiichi Yamashita, former vice unspecified additional loans, but chairman of the Japan Commit- this has not been matched by

Electrolux edges ahead

BY DAYID BROWN IN STOCKHOLM

statement of preliminary 1985 results released yesterday.

Sales advanced by 14 per cent to SKr 39.5bn from SKr 34.54bn in 1984. Extraordinary gains signs of a certain recoveri-brought the pre-tax results to Margoniar Tangus the Italia SKr 2.75bn, a 6 per cent rise from the previous year.

Profit per share rose by SKr 1 to SKr 20 and the board

profits after financial items to lun's managing director, said SKr 2.57hn (\$342m) in a short demand weakened in all signifirant markets including the US last year, putting pressure on the margins obtained on most products. However, he noted signs of "a certain recovery"

white goods maker in which stake last year, began breaking even on a monthly basis starthas recommended a dividend of ing last September, he said.

Nestle lifts sales 35%

BY WILLIAM DULLFORCE IN GENEVA

NESTLE, the Swiss foods than the SFr 135 a share paid group, increased its consoli- on the 1984 account. dated sales by 35 per cent to SFr 42.1bn (\$20.5bn) last year and expects to show a "notably higher net profit" on the 1985 account than the SFr 1.49bn reached in 1984.

A figure for net earnings and half of 1985. the proposed dividend will be announced later Mr Helmut said. The board was unlikely came increasingly negative in to propose a dividend lower the second half.

The 1985 turnover growth is mainly due to the incorporation of Carnation, the US processed foods company acquired by Nestle at the beginning of the year, and to favourable ex-

change rates during the first With the weakening of the dollar against the Swiss Franc Maucher, the managing director, the exchange rate influence be-

ELECTROLUX, the Swedish SKr 7.50 per share, up from household appliances group, SKr 6.50. reported a 4 per cent rise in AIr Anders Scharp, Electro-

Moreover, Zanussi, the Italian Electrolux took a 49 per cent

Hongkong Land wins appeal

HONG KONG'S Supreme Court has upheld a lower court ruling that Hongkong Land is entitled to nearly HK\$200m (US\$25.6m) and the return of 83 flats taken over by the Government as part of a 1981 property transaction which fell through, AP-DJ reports from Hong Kong.

The court ruled that no contract existed between Hong-kong Land and the Government for a deal by which the Government would have obtained the 83 flats and a HK\$103.6m premium in exchange for giving Hongkong Land the right to develop a residential site known as Queen's Garden.

ood processing, retailing, distribution

CONTINENTAL TELECOM Telecommunications

NORTH AMERICAN QUARTERLIES

1984 S

2 46n 194 9m 2 60

1985 \$

Matra in talks with Fiat on car components link

BY PAUL BETTS IN PARIS

controlled defence and elec-McDONNELL DOUGLAS. the big US aircraft producer. managed improved profits in the fourth quarter of 1985 and tronic car components business. Matra, whose car components has lifted its quarterly dividend interests include Jaeger and from 46 cents to 52 cents.

Net earnings in the three Solex, is also holding discussions with other car components months rose from \$91.7m or groups, though the negotiations \$2.28 a share to \$94.8m or with Fiat are understood to be

more advanced. The Italian group confirmed yesterday that it was holding talks with Matra but said it, too, was also talking with other companies over possible col-

laboration in the sector. apparent efforts to disengage components business with a Fiat.

operations around its defence, ponents industry. The move space and electronic com- follows the decision six months ponents business in an effort to improve profitability. Matra has already warned

that group profits in 1985 are likely to be lower than the FFr 68.5m (\$9.4m) consolidated group earnings of 1984 as a result of the continued cost of restructuring parts of its diversified operations.

A firm decision by Matra to The talks reflect Matra's try to merge its electronic car jointly owned or controlled by

MATRA, the French state- itself from car components, a foreign partner would be business employing 9,500 people further reversal of earlier tronics group, is negotiating which has so far been costly. French efforts to create a with Fiat a merger of its elec- Matra has decided to regroup its domestic electronics car comago of Renault, the state-owned car group, to sell its 51 per cent majority stake in Renix, the French electronics car components company, to Bendix, a subsidiary of Allied-Signal of

> The discussions with Fiat centre on the pooling of the two companies' electronic car components activities in a single concern which would either be

BMW in 'technical offensive'

BY IOHN DAVIES IN MUNICH

BMW, the West German prestige car maker, is pushing ahead with a "technical offensive." as part of a drive to boost cluded substantial charges —\$65.1m in 1985 and \$49.7m in 1984—for amortisation of its strength in the next few The increase in information

In one major project, employees this year will move into the first stage of BMW's research and engineering centre being built in Munich at a cost

together about 6,000 employees, including research specialists, styling experts and production engineers. BMW hopes to spur Germany I BMW's sales and market share slipped slightly in West Germany last year, but the comtechnological development by pany blames this on unpredicclosely integrating the work of table factors. It says that domits specialists who at present estic orders in recent months are scattered in a large number have been well up on a year of offices and plants. ago.
Mr von Kuenheim said that

Mr Eberhard von Kuenheim, Mr von Kuenheim said that the chief executive, said that BMW new was spending more of about DM 1bn (\$420m).

BMW would bring a completely than DM 1bn a year on investment centre. on which new car onto the market this ment, including the setting up DM 280m has already been year, and then something of its new car factory at spent, will eventually bring basically new each year into Regensburg in Bavaria.

Brierley has 'no chance'—NBH BY MICHAEL THOMPSON-NOEL IN SYDNEY

NORTH Broken Hill Holdings of a powerful Australia-New chance of getting control of (NBH), the Australian mining Zealand investment empire, is and investment group, claimed attempting to extend his stake current offer. There is almost resterday that Mr Ron Brierley had "no chance" of gaining con- 40.3 per cent. trol at or close to his current His declar NBH offer price of A\$2.50 a

This defiant assertion coincided with news of a 46 per cent Pulp and Paper Manufacturers, fall in NBH net profits to A\$4m and 12 per cent of Alcoa (US\$2.84m) for the half-year to December 11, caused mainly by

743.0m 806.0m 17.1m 10.3m 0.48 0.23

603.0m 78.0m 2.05

2 Obn 1 87bn 197.0m 61 0m 5.19 1 71

CROWN ZELLERBACH

HOME GROUP

attempting to extend his stake current offer. There is almost in NBH from 17.7 per cent to a linking of arms against this

His declared aim is to demerge NBH's potentially lucrative interests, which include EZ Industries, Associated Australia.

Mr Mark Bethwaite, chief mining and smelting losses. Mr Mark Bethwaite, chief share, despite a fall in earnings Mr Brierley, whose Industrial executive of NBH, said yesterper share from 2 cents to 0.9 Equity is the Sydney based arm day: "Mr Brierley has no cent.

 Revenue
 649.1m
 582.2m

 Net profits
 34.6m
 9.2m

 Net per share
 1.08
 0.24

 Revenue
 2.29bn
 2 24bn

 Net profits
 77.2m
 51.4m

 Net per share
 2.28
 1.41

nd) . 13.5bn 11 2bn 113.0m 85 0m 1.36 1 60

Net per share Year

ROYAL TRUSTCO

January 31 Total contracts 14,854 Calls 11,677
Puts 8,177 **Underlying security price

aggressor who would wish to break us up."

NBH's turnover rose by 5 per cent for the half to A\$401.2m but mining and smelter sales fell marginally.

The interim dividend has been maintained at 2 cents a share, despite a fall in earnings

NATIONAL DISTILLERS & CHEMICAL

Net profits Net per share Year

Revenue
Net profits
Net per share

TRAVELERS insurance

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118 Aas Brit Ind. Ord 122

121 Ass Brit Ind. CULS

121 Ass Brit Ind. CULS

123 Arrapring Group

133 Armitage and Rhodes

103 Bardon Hill

167

178 Brity Technologies

179 CCL Tipe Conv. Pf

170 BD Carborundum Ord

170 Ass Carborundum 75 pc. Pf

170 Ass Carborundum 75 pc. Pf

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172 Brite Conv. Pf

173 Ass Carborundum 75 pc. Pf

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175 Ass Frederick Parker Group

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177 Brite Burrough

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LONDON TRADED OPTIONS Apr. July Oct. Apr. July Oct. May Aug. Feb. May Aug. 63 33 June Sept. 220 | 36 240 | 19 Marks & Sp. 1°173, 150 145 130 115 95 135 120 105 96 60 775 | 110 800 | 90 825 | 70 850 | 55 900 | 30 10 17 27 40 65 119 100 71 44 24 Jan. Feb. Mar. Apr. Jan. Feb. Mar Apr.

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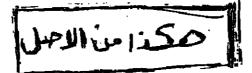
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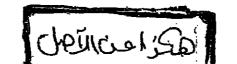


THERE'S NO PLACE LIKE IT.



Lonrho (*23)

WUKLD STUC	N WARREIS
Stock 30 29 Stock 30 39 Stock 30 29 Stock 30 29	WALL STREET CANADA and BASF DM 5.20 at 265.40. comment Lower in fairly active mid- Exporters issues, including key Utilities land the biggest losses Utilities land the biggest losses Utilities land the biggest losses
Stock 30 29 Chubb 614 534 Hall (FB: 215, 22 Morton Thickol. 32'4 32'4 Schlumberger 32 31's Hallburton 24'4 24 Motorola 39'4 40 Schlumberger 32 31's	Dow hits busieted by Auto and Chemical sectors as the automore and the sectors are the sectors as the automore and the sectors are the sectors as the automore and the sectors are the sectors as the automore and the sectors are the sectors
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Collins Aikman 52 321a Hershey	SHARPLY HIGHER levels at \$201 in actives as shareholders and countries at a time of gener about the ramifications of the developed on Wall Street yester-approved its reorganisation, ally falling oil prices, brokers collapse of Pen-Electric and the day, when futures-related buy which Gulf has said will generate said.
Ahmanson H.F., 5612 5814 Combined Int 5714 553 Hitsohi	programmes helped the advance. additionar earnings. By 1 pm the Dow Jones Indus Dome Petroleum eased 4 cents at 584 on expectations of net. The Straits Times Industrial
Albertson's 311, 50% Commonwith Ed 301, 501, Alcan Aluminium 311, 311, 511, Comm. Satellite. 36 571, Holiday Inns 581, 591, Netw'rk Systems 151, 16 New England El. 501, Skyline 581, 591, Skyline 581, Sky	trial Average was up 18.23 to at to 82.75 — it was lowering its profit comparable to 1984's record index rose 5.50 to 697.32 and the record 1.570.41 and up 40.48 on stake in Dome Mines, off \$1 to and a 10 per cent rise in turn. SE All Share index 1.53 to
Alexander & Al. 34% 24.3 Comp. Sciences 32% 32% Homestake 26% 26% 28% MY Times 48% 48% Smith int	the week, while the NYSE All 815!. Common index, at \$122.23, rose Common index, at \$122.23, rose TOKYO Share prices closed sharply to 259.50 after news it is doubling. Singapore Airlines put on
Alload Signal. 45: 45: Gons. Freight. 40:4 41:4 Hospital Corp. 34:4 41:4 Nice B	week. Advances led declines by a two-to-one margin in a volume. Share prices closed sharply in 259.50 after news it is doubling. Singapore Arribles put in the dividend and the Swiss 15 cents to \$55.35, and accounted the parent is offering DM 250 per for 18.4 ner cent of the market's
Allus Chaimers	of 108m shares. 75.26 to 13,024.30. Volume 400 share to minority shareholders. to in turnover Harry Laubscher of Paine (same) shares AMSTERDAM Hotels, Proporties and Com
Alcoa	Webber Group said he remains Traders said they were con- bullish even though there are fused by the raily since market across the board as investor con- AUSTRALIA
Am Smorte 57 able Converg. Techs. 1312 1313 Hybritech	signs a market top is being sentiment had been turning fidence secped back to the Share markets closed at record created. Personnel in Thursday's Bourse. Revels in mixed trading.
Am. Clan	He said there seems to be a session. One dealer theorised Position squaring ahead of the The All Ordinaries index rose, shift in the leadership with IBM that both foreigners and new weekend counter-balanced the 0.9 to a record close of 1.075.1, less of a favourite than it had Domestic Trust funds bought impact of Thursday's mixed the All Industrials eained 9.3 in
Am. Crocking 574 38 Corning Glass 674 684 Illinois Power 2518 1518 Norwest Corp. 2978 3018 Am. Groungs 51 3 51 Cornon & Black 6138 6218 ICI ADR 46 4514 Nwest Steel W 1312 1518	less of a favourite than it had Domestic Trust funds bought impact of Thursday's mixed the All Industrials eatned 9.3 in been, issues orientated to domestic business in the US. a record 1.601.7, but the All There are still a great many demand and stayed away from Domestic as well as Foreign Resources index tost 5.2 to 669.5.
Crare	values around." Laubscher said, the Electrical sector because of investors showed the first buy. The Gold index shed 4.1 to 997.4. although "they are concentrated the possibility that the stronger ing interest for several days. Turnover was very high at
Am. Notine Prod. 57: 25: Crown Zell	in Industrial groups that have Yen could severely hurt the with all Rourse indices up. S6.6m shares, worth A8238.4m, not performed well in the last export earnings of these issues. Among multinationals which with rises outnumbering falls
Am. Motors 321, 321, Daisy Systems 18 181; Inter First Corp. 91; Ogilyr & Mithr. 461; Sun Co	year or two." He added these One trader said the share suffered with the softer dollar, 279-in-206, included Forest Products, prices were extremely volatile Akzo, involved in a dispute with Industrials were again strong
Dart & Kraft	Conners and Machinery in the session and pointed a US rival Dupont, turned its following Thursday's favourable Insurance issues, lower at the finger towards speculators. He FI 2.20 opening loss into a gain economic news, outset, were staging a recovery said that Japan Air Lines for of FI 3.30 at 160.50 after BIIP, off 20 cents at ASS.88, 2
Am Stores 64; 64 Datajonita 312 313 IBM 149 9 151 Olin 37%; 37%; TE Comms 5½ 5%; Ameritech 107%; 107%; Dayton Hudson, 44½; 40 Int. Flavours 25½ 35%	ATT led the actives, off \$1 to example, opened at Y13.700. improved 1985 results announced provided over half the market's plunged to Y11.900 and then Thursday:
Amotek inc 271, 28 Ocere	Beverly Enterprises dinned went back up to Y13,200 to close In banks ABN finished Ft 9.50 Traders said the heavy trading set to \$35 on 1 64m shares—a Y500 lower on the day. The higher at 578.00 after a Ft 450 in BHP is field to ontion activity
Amsted Inds 45: Dix Chk Frint 4314 48: Int. Paper 5012 51:4 PAH Group 355: 3614 Tandy 3512 39:4	block of 1.2m shares crossed the trader said that lower world oil opening loss. and investors positioning them-
Anchor Hocks 241; 241; DiamondShamrk 13 151; Jaguar ADR 512 51; Tele-Comms 541; 341; Anchor Hocks 241; 401; 401; 401; 401; 401; 401; 401; 4	company reported fourth quarter manipulate both Jal and all Sharply lower as Inte institute company's one-for-five free scrip
Apple Comp 23 25 Disney (Wait) 116-a 11814 Jim Waiter	may benefit, in the form of clima selling sell the Hang selling sell the Hang selling sell the Hang selling se
Arizona Pigo Ser. 27:5 27:5 Arizona Pigo Ser. 27:5 27:5 Arizona Pigo Ser. 27:5 Arizona Pigo Ser. 27:5 Donnelly (RR) 55: 65:2 Joy Man	-it said it was taking a \$1.2bn GERMANY week.
Dow Chemical 42% 42 Kaiser Alumn 16% 17% Pac. Telecom 5% 15% Texas Eastern 35% 52% Dow Jones 45% 45% 45% Pag. Telesis 82% 83 Texas Fastern 108 108% Pag. Telesis 82% 83 Texas Fastern 108 108% Pag. Telesis 15% 15% 15% 15% 15% 15% 15% 15% 15% 15%	American International Group most sectors regaining some identity centred on Wah Kwong is also having a professive
Asarco	gave way \$1; to \$59;. declines. But most prices were or its owners, the Chao family. free scrip issue Monday.
Assoc Dry Goods, 41-4 41-6 Dund Braustreet 63 33-8 Kemper 8012 801- Thomas Betts 3932 3936 Atlantic Rich 52 52 Dupont	THE AMERICAN S.E. Market of the days inguis-
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Easco 1614 1615 Knight Rdr Nws 43% 4218 Penn Central 931 1948 Timerers 11 100 010	average but lively in Chemicals, the company, may be raising to Ass. at despite paying an old
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### Day's High 1572.59 1578,10 Low 1545.76 (1548.05) Edw 1545.76 (1548.05) (1548.05) Edw 1545.76 (1548.05) (15	FRANCE Pirelli Co 6,250 - 95 Bank Leu 4,325 + 10 Pirelli Spa 3,998 + 87 Brown Boveri 1,700 - 10
DEMMARK STANDARD AND POORS DEMMARK Gopenhagen SE -3/1/83) (u. 218,82 219.94 221,61 257.76 (2) 1/851 156.44 (8/1/85)	Sapem
Composite: 209.33 210.29 209.81 207.39 206.43; 218.80 163.80 213.80 4.40 FRANCE GAC General /3.1.80; (c) 584.5 224.9 285.8 284.8 (28) [36: 180.8 (5: 1)/25; Indust'is 230.48 231.30 233.01 298.85 299.08 287.09 287.	Emprunt 4/2 1975 1.520 —10 NETHERLANDS Elektrowatt
7/1/96 4/1/85 7/1/98 60/6/52 GERMANY	Accor
29:1:88 4:1:86 29:1:85 2:10:74 Commerciank (1/12:55) 1958.4 1958.2 1997.2 2:181.4(15:1:49) 1111.8(67:95) N.Y.S.E. 120.87 121.29 121.10 119.87 119.52 125.14 94.60	Bourgues 95010
COMPOSTE 7,1:96 4.1 85 - Hang Seng Bank (51 7,64) 1995,78 1720,21 1736,35 1764,58 1828,64 (8/):98 1220,74:2/1:85 Hang Seng Bank (51 7,64) 1995,78 1720,21 1736,35 1764,58 1828,64 (8/):98 1220,74:2/1:85 VALUE	CIT Alcate1
NASDAQ 334,33 534,72 332,84 330,20 328.85 554,72 245.91 554,72 54.87 Banca Comm Stal. (1972) 477.36 475.0 , 474.28 455,77 489,47(21)168) 228.58 (2)1651 OTC COMP.	Damart
JAPAN** JAPAN** DIVIDEND YIELDS Jan. 24 Jan. 17 Jan. 10 Jan. 5 approx: 155.45 New (4.1.55; 185.0 1058.18 1041.25 1057.55 1187; 918.86 (471.86)	Darty
Dow Industrial 4,16 4,15 4,21 4.11 4,72 NETHERLANDS Jan. 29 Jan. 22 Jan. 15 Jan, 8	Elf-Aquitane 217 -11,1 Elsevier NDU 178 +6,5 Swiss Volkshk 2,390 -40 Fujirsu 2,04 -0,1
S and P Industrial 5.44 5.58 5.45 5.46 3.81 ARP.CBS Industrial 24.6 24.6 14.66 14.61 11.26 NORWAY	Imetal
TRADING ACTIVITY Millions Jan. Jan. New York Jan. 30 Jan. 29 Jan. 28 Oslo SE 41-85: 574.72 572.36 574.04 575.28 412.88 (12/11: 255.18 r2/1:85) SINGAPORE SINGAPORE	Legrand
New York 126.34 193.80 198.66 Unchanged 935 368 371	Michelin B 1,800 Naarden 57 * 1.5 Jan. 31 Aust S Isnikawajima Hr. 152 AESCH 9.6 ; -0.1 Mid (Cie* 4815 15 Nat Ned Cert 81.5 + 1.7 AMZ Group 4.57 4.67
0.7.C. 108,947: 132,06,116,45 New Lows 25 45 45 45 JSE Gold (28,9/76) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78) 1080,5 1681,7 1077,5 2777,56 523,5 (6,9) JSE Indust (28,9/78)	Nord Est
CANADA TORONTO Jan. Jan. Jan. Jan. Jan. Jan. 1985/86 Metals & 30 29 28 27 24 High Low	Petroles Frz 500 -16 Pakhoed
Metals & 30 29 28 27 24 High Low SWEDEN SWEDEN J2574.45 2289.6 2258.3 2218.56 2266.34 2289.6 (2911.58) 1745.82 (31/10) Jacobson & P /51/12/86 1757.86 1758.45 1729.57 1755.95 1807.85(8/1/86), 1285.32 (9/7)	Peugeot S.A. 688 -85 Robeco 94 - 85 Robeco 133.5 - 0.5 Bell Group 7.4 - 0.06 Kirin 780 - 20 Curie Finance 4.78 Curie Finance 4.
WITZERIAND SWITZERIAND 568.5 565.5 578.2 575.1 825.5 688.7 (\$/1/85, 688.7 (\$/1/85)	Redoute 1,880 -75 Rorento 47.1 - 0.1 Soral 56 -0.5 Royal Durch 55
NEW YORK ACTIVE STOCKS WORLD WORLD SEE, 258.8 258.0 259.0 (7/U68), 184.8 (4/1,85)	Skis Rossignol
traded price day traded grice day security January 25: Japan Nikkel 12.853.37, TSE 1.035.54.	CSR 40.0 22 West Off Bank 86 1 CSR 40.0 Mazda Motors 688 - 1 Reinbrandt 46 - 45 12 Claremont Pet 12 2.5 Mei Ja Scika 545 10 Russ Pat -
P Svc NM I 774,400 20% + 1, Travellers 1.267,700 48% -114 ISE industrial264.39 Australia All Ordinary and matais—to the composite of 1.285 (00 47% -13 Transported 1.298.200 37% - 1 Feb. Standard and Peops-10: and Toronto Composite and Metals—1,000. Toronto	NOTES Prices on this page are as quoted on the Comstice A
Plazer 1.686,300 47% - 1% Trensworld 1.218.200 37% - 1 50; Standard and Poots—10; and 100 not Composite at 1,000 100 and 100 not Composite at 1,000 100 and 10	suspended. xd.Ex dividend. xt Ex scrip issue. xr Ex rights. Costain Aust. 2.0
	to the control of the



GOLD 100 troy oz. \$/troy oz

350.7 852.9 356.8 361.0 365.3 369.7 374.1 378.4 363.0 387.9 392.9 398.1

Class

ORANGE JUICE 15,000 lb, cents/lb

PLATINUM EG troy oz. \$/troy oz

SILVER 5,000 troy oz, cents/troy oz

623.5 631.5 636.5 652.0

662.5 670.0

Close 603.7 607.3 617.3 615.1 622.0 631.5 644.3 648.6 857.4 688.3

F. Man, says the market's short

term prospects depend largely

on whether or not Brazil

becomes an active seller.

African producers, who grow

the Robusta type of coffee which

sold. But the New York market,

which deals in the Arabica types

prospects.

FOREIGN EXCHANGES

Dollar pauses for breath

afternoon.

The dollar recovered in currency markets yesterday after Thursday's disappointing US economic data. The rise was mainly a technical reaction to the dollar's recent fall and was accelerated by profit-taking. However, the dollar's undertone remained bearish with recent strength of the Japanese yen tending to have a depressing effect. Dealers were content to square positions ahead of the weekend

The dollar fell to a low of DM 2.3710 against the D-mark before improving to close at 2.3890 up from DM 2.3790 on Thursday. Against the ven it fell to Y192.75 from Y193.0. its lowest level since November 1978. Elsewhere it rose to SFr 2.0270 from SFr 2.0200 and

STERLING INDEX

9.00 am 74.7

10.00 am 74.8

11.00 am 74.7

Noon 74.8

1.00 pm 74.9

2.00 pm 74.8

3.00 рт. 74.8

4.00 pm 74.6

Norway Kr., Span'h Pta., Swedish K.,,

CURRENCY RATES

94

C\$/SDR rate for Jan 30: 1,57631.

CURRENCY MOVEMENTS

Bank of England Index

74.6 123.4 78.4 123.7 93.5

-18.5 +34.5

Jan. 31 Previous

Bank Special European rate Drawing Gurrency Rights Unit

N/A 1809,79 213,119 8,27473 167,121

0.786655 0.64195

74.3

74.5

74.4

74.5

74.6

Jan. 31 Prev. close \$1.4150-4140 \$1.4210-1.4220 £ Spot

1 month 0.53-0.51pm 0.50-0.48pm a months 1.64-1.59pm 1.62-1.61pm 5.30-5.15pm Forward promiums and discounts apply 7.3125 compared with

FFr FFr 7.2925. On Bank of England figures, the dollar's exchange rate index rose to 123.4 Sterling was slightly firmer overall. Its exchange rate index rose to 74.6 from 74.4, having

opened at 74.6. It touched a

tions ahead of Monday's Opec meeting and Tuesday's UK banking figures. Both are likely to have a strong bearing on sterling sentiment. Against the dollar the pound rose to \$1.4125-1.4135 up 30 points from Thursday. It was also higher against the D-mark at DM 3,3750 from DM 3.3550 and Y272.50 compared with

Elsewhere it rose to SFr 2.8650 from SFr 2.8475 and FFr 10.3325 from FFr 10.2825. The relative strength of the D-mark and the French franc was contained to some extent within the EMS by central bank intervention although there was still strong speculation that some best level of 74.9 during the sort of currency realignment afternoon. There was little would follow after the French

POUND	SPOT-FORWARD	AGAINST	POUND

incentive to take out fresh posi- general election next month.

Day's spread	Cicse	One month	% p.e.	Three months	% p.a.
1,4080-1,4195	1.4125-1.4135	0.51-0.48c pm	4.20	1,63-1.58pm	4.54
2.0043-2.0213	2.0043-2.0079	0.28-0.19c pm	1.41	0.91-0.76pm	1.6
3.80-3.814	3.80%-3.81%	21-17-c pm	6.30	6 <u>12-614</u> pm	6,6
68.85-69.18	69.00-69.10	7c pm-1dis	-0.52	17-3pm	0.5
	12.44-12.45		3.25	10%-10pm	3.3
1.1099-1.1186	1.1142-1.1152	0.07-0.28p dis	-1.88	0.19-0.68dls	-1.5
3.354-3.38	3,37-3,38	21,-2pf pm	7.33	6½-6½pm	7.8
	2194-221		-24.55	590-1590dis	-19,8
2173-2125	212-2124	10c pm-35dis	-0.71	.10-125dis	-1.2
2293 2-2304	2299-2300	16-19 lire dis	-9.13	41-48dis	-7.7
10.49%-10.54%	10.512-10.521-	1—7₂ore dis	-0.57	14-2dis	-0.5
10.28 - 10.36 -	10.327-10.33%	11-21:c dis	-2,54	7°-104dis	-3.4
10.60 - 10.64 -	10 623-10.633	Sore pm-3dls	-0.14	13-4pm	0.4
2711-273	272-273	1.40-1.28y pm			6.3
23.52-23.76	23.69-23.73	1174-107-gro pm			5.9
2.85-2.87	2.86-2.87	2-1-ac pm	7.85	61-57-pm	8,3
	spread 1,4080-1,4195 2,0043-2,0213 3,80-3,81½ 68,85-69,18 12,41½-12,46½ 1,1099-1,1188 218½-221½ 211½-212½ 2253½,2304 10,49½-10,56½ 10,60½-10,56½ 10,60½-10,56½ 271½-273	507696 Ciose 1,4080-1,4195 1,4125-1,4135 2,0043-2,0213 2,0043-2,0079 3,80-3,81½ 69,00-63,10 12,41½-12,46½, 12,444-12,45 1,1093-1,1186 1,1142-1,1162 3,35½-3,38 3,37-3,38 218½-221½ 21½-221½ 211½-212½ 21½-221½ 2233½-2304 21,52½-20,33½ 10,60½-10,56½ 10,51½-10,52½ 10,28½-10,56½ 10,51½-10,52½ 10,28½-10,56½ 10,51½-10,52½ 10,28½-10,56½ 10,51½-10,52½ 10,50½-10,56½ 10,52½-10,53½ 271½-273 27,52-23,52-23,76	\$\text{sprised}\$ \$\text{Close}\$ \$\text{Ons month}\$\$ 1,4080-1,4195 \$\text{1.4125-1,4135}\$ \$\text{0.51-0.48c}\$ pm 2.003-2.0213 2.003-2.0079 3.80-3.81\(^1\) \$\text{8.85-63.18}\$ \$\text{8.85-63.18}\$ \$\text{8.85-63.18}\$ \$\text{8.90-63.10}\$ \$\text{0.244-12.45}\$ \$\text{1.409-1.1186}\$ \$\text{1.142-1.1162}\$ \$\text{3.73-3.38}\$ \$\text{2.73-3.38}\$ \$\text{2.73-3.38}\$ \$\text{2.73-3.38}\$ \$\text{2.72-212}\$ \$\text{1.2212}\$ \$\text{1.626}\$ \$\text{0.526}\$ \$\	1,409.0-1,4195	1,4080-1,4195

Six-month forward dollar 3.11-3.06c pm, 12-month 5.45-5.30c pm.

DO	LLAR SP	OTFOR	WARD AGA	LINS	r DOLI
n 37	Day's spread	Close	One month	% p.≥.	Three months
Kt	1.4080-1.4195	7.4125-1.4135	0.51-0.48c pm	4,20	1.63-1.58p

	Day's			%	Three	%
Jan 31	Spread	Close	One month	p.a.	months	p.a
UKt	1.4080-1.4195	1.4125-1,4135	0.51-0.48c pm		1.63-1.58pm	4.5
trelandt	1,2635-1,2745	1.2665-1.2675	0.75-0.65c pm		2.75-2.35pm	8.0
Canada	1.4205-1.4270	1.4240-1.4245	0.32-0.35c dis	-2.82	1.01-1.06dia	-2.9
Nethind.	2.5720-2.7020	2.6975-2.6985	0.47-0.44c pm	2.02	1,51-1,48pm	2.2
Belgium	48.58-48.95	48.50-48.90	13-17c dis	-3.68	45-53dis	-4.0
Denmark	8.757-8.83	8.80 ¹ 2-8.81	albr-mq enor	-0.26	3pm-3dis	_
W. Ger.	2.3710-2.3930	2.3885-2.3895	0.65-0.60of pm	3.14	2.03-1.98pm	3.3
Portugal	1553-1563	165%-166%	250-500c dls	-28.89	600-1300dia	-24.4
Spain	149.48-150.53	150.10-150.30	45-90c dis	-5.39	200-285dig	-6.4
Italy	1619-1631	1627-1628	19-21 lire dis	-14.74	52-55dis -	-13.1
Norway	7.414-7.454	7.443-7.443	62-62 are dis	-10.27	9-9%dîs	-5.0
France	7.27-7.33	7.31-7.31	34-42c dis	6.75	15-16 ¹ -dis	-8.6
Sweden	7.494-7.524	7.524-7.524	21-21 ora dis	-3.89	7 ³ _8dis	-4.1
Japan	192,10-193,10	192,70-192,80	0.27-0.24y pm	1.59	0,89-0.84pm	1.7
Austria	16.69-16.82	16.77-16.80	2 ¹ ₂ -1 ¹ 2gro pm	1.43	7-41 ₂ pm	1.3
Switz.	2.0110-2.0325		0.64-0.59c pm	3.64	1.95-1.90pm	3.8

discounts apply to the US dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 49.50-49.60.

Jan. 31	Short term	7 Deys notice	Month	Three Months	Six Months	One Year
Sterling U.S Dollar Can Dollar D Guilder Sw. Franc Doutschmrk	772-8 1012-11 816-573 112-134	124,121, 713,84, 105,107, 51,51, 21,23, 48,41,	123,-137s 773-876 1018-1018 516-518 416-478 42-478	12/2-12/2 7/4-8/4 10/6-10/6 5/4-5/6 4/4-4/4 4/3-4/4	125,-1278 8-818 10/k-10/6 5/6-5/3 4/6-4/6	125g-123 81g-814 10 g-10-8 51g-57g 41g-414 45g-43g

1980-1982-100, Bank of England index (base average 1975-100). Long-term Eurodollars: two years 81-814 per cent: three years 87-914 per cent; four years 91-914 per cent; live years 91-914 per cent nominal. Short-term rates are call for US Dollars and Japanese Yan; others, two days' notice. OTHER CHRRENCIES

OTHER CORNENCIES				
Jan 31	£	\$		
Aus'alla Brazii Finland Greece	1,1282-1,1305 1,9755-1,9795 17,043-17,140 7,5345-7,5545 204,40-208,65	13,990-1,4010 12,085-12,145 6,3430-5,3450 144,50-147,50		
H'kong Iran Kuwait Lux'burg Malay'as	11,0150-11,0295 117,90° 0,4020-0,4030 60,50-60,60 3,4780-3,4875 2,6315-2,6415	7,8050-7,8070 85,60* 0,26720-0,28740 46,80-48,90 2,4645-2,4665		

Morgan Guaranty changes:

M'Z'land (2,5315-2,64)3 1,0620-1,657b Saud Ar [5,1105-5,1160,3,6507-3,6517 Sin'pore ,5,0120-3,0200 2,1365-2,1375 S.Af. (Cmil.3,160-3,2310 2,2780-2,2885 S.Af. (Fn).4,0625-4,1830 2,8775-2,9530 U.A.E ___5,1415-5,1466,3,5736-3,6735 Selling rate.

EXCHANG	GE :	CR	os	s	RA	ΤE	S
				_			_

Jan 31	£	5	DM	YEN	F Fr.	S Fr.	H Fi.	Ura	C\$	B Fr.
£	0.708	1.413	3,375 2,389	272,5 192.8	10,33 7.313	2 865 2.027	3,813 2,698	2300. 1638,	2.006 1.420	69,05 48.87
DH YEN	0.296 3.670	0.419 5.185	12.39	80,74 1000	5.061 57.92	0,849 10,51	1.130	681,3 8439.	0,594 7,362	20,46 253,4
F Fr. S Fr.	0.968 0.349	1.368 0.493	3.263 1.178	365,7 95,11	10. 3.606	2.773 1,	5,690 1.731	2226. 802,ē	1.942 0.700	66.83 24,10
H Fi. Lira	0.262 0.436	0.371 0.614	0.885 1.468		2.710 4.493			603.1 1000.	0,526 0,672	18,11 30,03
C S B Fr.	0.498 1.448	0.704 2,046	1.682 4.888		5.151 14.96					34,32 100,

MONEY MARKETS

UK rates firmer

Interest rates were a little in the afternoon came to £385m higher in London yesterday, and comprised outright purchases

Period rates rose ahead of Monday's Opec meeting and the possible effects on sterling white short term rates were influenced by a scarrity of funds. Despite a little in the afternoon came to £385m thursday's close in the London bullion market yesterday to finish at \$349\frac{1}{2}-350. The metal opened at \$353\frac{1}{2}-354 and traded between a high of \$354\frac{1}{2}-354\frac{1}{2} and a low of \$347\frac{1}{2}-348\frac{1}{2}. The weaker trend and \$357\frac{1}{2}-348\frac{1}{2}. The weaker trend and \$357\frac{1}{2}-348\fra by a scarcity of funds. Despite the Bank of England's assistance, funds were hard to come by and weekend interbank money touched a high of 15 per cent at one point. It opened at 12:-12; per cent and spent most of the morning trading at 123-13 per cent. Rates touched 13-131 per cent after lunch before touching a high of 15 per cent. Late balances were taken nearer 12

per cent. Three-month interbank money rose to 124-125; per cent from 121-125 per cent while three-month eligible bank bills were bid at 123-125; per cent, unchanged from Thursday.

The Bank of England forecast The Bank of England forecast a shortage of around £900m with

UK clearing banks hase lending rate 12½ per cent since January 9

factors affecting the market including maturing assistance draining 2776m and a rise in the note circulation a further £225m. In addition banks brought forward balances £75m below target. These were partly offset by Exchequer transactions which added £160m. The Bank offered an early round of assistance which totalled £138m and comprised outright purchases of Filam of elicible bank bills in band 2 at 12% per cent, £47m in band 3 at 12% per cent and £78m in band 4 at 12% per cent. The forecast was revised to a shortage of around £950m before taking into account the early help and the Bank gave addi-tional help in the morning of £369m. This comprised outright purchases of £40m of eligible bank bills in band 1 at 12; per cent, £75m in band 2 at 12;2 per cent, £26m in band 3 at 121 per cent and £108m in band 4 at 121d per cent. It also arranged sale and repurchase agreements on £120m of bills at 1212-124 per cent unwinding in equal amounts on February 4 and 5.

Once again the forecast was releast this time to a shortage

all at 12% per cent. In band 3 it was a continuation of selling bought £5m of eligible bank bills in New York on Thursday in the was a continuation of selling at 12; per cent and £87m in band silver market and further selling 4 at 127s per cent. Total belp in London prompted the un-came to £892m. winding of some long positions Gold fell 81 an ounce from and stop loss selling.

FT LONDON INTERBANK FIXING

(11.00 a.m. Jan. 31)	Six months U.S. dollars		
Three months U.S. dollars	bid 8	Offer 8 1/8	
bid 7 15/16 offer 8 1/16			
The fixing rates are the enthmetic means, rounded to the nearest one-sixteenth, of the bid and offered tetas for \$10m quoted by the market to	working day. The Westminater Bank Dautsche Bank, B	langue Nationala d	

Jan. 31	Ov'r-nig't	One Month	Two Months	Three Months		Lombard In Vintion
Frankfurt	4.25-4.35	4,50-4,65	4,50-4,65	4,55-4,65	4.55 4.70	5,5
2715	9	87g 9	876-9	878-9	8 9 m	634
Zurich	1-2	37g-41g	_	378-418	i ~:``	l –
Amsterdam	5/4·5%	53.5	i –	5 % 5 H	5;;-5;2	! =
okyo	6.03125	6.03125		6.09375		í –
Vilan,		164-165	_	15 lg 157a		} —
3fussels	8,50	95.978	· –	9.4.9.2	ì	1 —
Dublin	_	l –	_	I "	-	} —

LONDON MONEY RATES

							ľ
Jan, 30	Over night	7 days notice	Month	Three Months	. Six Months	One Year	ĺ
Interbank	i –	i –	125g-125g 127g-127g	124-12 12 134-1279	12H-12H 12H-12H	12%-12% 12%-12%	ľ
Local Authority Depos Local Author'y Bonds	-	1238-1212	123: 153:	127g	123 ₄ 131 ₄	12% 134	l
Discount Mkt Dopos. Company Depos	10-12J ₄ 12-12J ₂	11-11-4 1259-12-4		121 ₂ 127 ₈	1216	126s	l
Finance Hae Depos Treasury Bills (Buy) Sank Bills (Buy)	Ξ] =	125	125; 121; 133, 124;	125 ₁	1268	Į
Fine Trade Bills (Suy)		<u> </u>	134	124	125	8,10-8.15	ľ
SDR Linked Depos] =	=	8 ₁₈ 8:3	8; 8; 10:0.105	84.84	81g-83g	ļ

Treasury Bills (sell); one-month 12½ per cent; three months 12½ per cent. Bank Bills (sell); one-month 12½ per cent; three months 12½-12½ per cent. Treasury Bills: Average tender rate at discount 12.0967 per cent. ECGD Fixed Finance Scheme IV relarance date December 4 to January 7 (inclusiva) + 11.388 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rete 12½ per cent; from Fobrusry 1 1986, Bank Tax Deposits (Series 6) Deposits £100,000 and over held under one month 12 per cent; one-three months 12½ per cent; three-six months 12½ per cent; six-nine months 12½ per cent; nine-12 months 12½ per cent. Under £100,000 11½ per cent. Local £100,000 11

REVIEW OF THE WEEK

Coffee market gets the jitters

BY RICHARD MOONEY

THE COFFEE market suffered a severe attack of the jitters this week. After last week's tentative rally, which followed an erartice retracement from the post-Christmas peak, nearby values on the London futures market registered a sharp decline which took them to the lowest levels for more than a month. The March position's £59.50 rise on Monday was quickly wiped out by falls on Tuesday and Wednesday totalling £389 a tonne. At last night's close March coffee was quoted at £2,227.50 a tonne, down £324.50 on the week.

The fall has taken some of the wind out of the sails of pundits who saw the early Janaury peak of £3,100 a tonne as merely a staging post on the way to record highs. But many remain convinced that the full price effect of last year's damaging Brazilian drought has yet to be felt. The drought is estimated to have halved this year's Brazilian crop potential to around 14m or 15m bags (60 kilos each).

"In the longer term there is no doubt that the price has got to go higher," says Mr Brian Chandler of Boustead Com-modities. "The fundamental problems are still there." But he is not so sure about the immediate prospects with the market in the grip of what he describes as the "computer brigade"—speculators who base brigade "-speculators who base their trading on technical

METALS

Free Markets c.i.f.

Gold per oz. Lead Cash 3 months

Palladium Platinum per oz

Quicksliver (76 lbs).

5 months per oz.

Tungsten Ind. Wolfram (22.04 lb).

Maize French

WHEAT Futures

Palm Malayaı SEEDŞ Copra (Philippines) Sovebeans (U.S.)....

OTHER COMMODITIES

THER COMMODITIES
COCOA Futures May
Coffee Futures May
Coffee Futures Mar
Cotton Index
Des. Coconut
Gas Oil Fut Mar.
Jub LIA BWC grade.
Rubber kilo.
Sisal No. 3
Sugar (Raw)
Tea (quality) kilo.
idow med) kilo
Woodfons 64s Surger.

ALUMINIUM

months

LEAD

Unquoted. (g) Medegascar, y) February. (z) March,

ose(p.m.) per to

Official closing (am): Cash 996-8 (997-1,080), three months 1,031-3 (1,035-7), settlement 998 (1,000). Turnover: 16,950 tonnes. US Producer prices 68,5-74 cents per pound.

Unofficial + or close(p.m.) — £ per tonne

992-6 +2 996/996 1025-8 -0.5 1031/1031

787.5-8,5 816-,5

SPICES

OILS

Nickel market c.i.f. 15

WEEKLY PRICE CHANGES

1180/1200 + 10

2680/2751—25 £1008,5—4,75 £1037,75—7,5 §349,625—4,120

177/197c 8104.35 \$370.00

\$210/230

863,71 856/63 2451,5

£118,00

2120.26

86,300 84,100

\$315z

\$230x \$226,5 y

50p \$595 \$139.5x 185p 112p

-7.5

+10

£141

\$1145/1166|\$1248/1260|\$975/995

\$2750/2850 \$3076/3150 \$2550/2850 £1244.5 £1339 £914 £1269.26£1351.76£934.76 £303.26 £352 £294.7 £340 £391.5 £252 £341.26 £352.5 £262.76

236/256c 258/282c \$175/196c \$128.00 \$129.65 \$92.25 \$274,75 \$378,5 \$244.25

\$295,305,\$300,310,\$210,230 558,80p 576,90p 397,45p 574,80p 596,90p 408,10p 5995,5 £10,325,£28507,5 £9905,6 £10,325,£28422,5 \$68,72 \$4,872 £53,61 £735, £85,672 £372,5 £735,6 £85,65 \$900 \$960 \$560,670

£116,55 £118.80 £96,00

£147,50 £125,20 £129,50

\$4,950 \$6,700 \$4,400

\$700

-1.20 (£116,60 £124.95 £96,80

84,000 83,300 \$2,530

5890 64.0p 5650 5117 335p 263p 521p Kifo

Another trader, at E. D. and

COPPER

in countries heavily is traded in the London futures market, are reported to be well dependent on the free world market. This could lead to a much "healthier" market situation, Licht said. grown mostly in Brazil and Central America, is short of supplies. So New York yalues. On the London Metal Exchange neews of stocks reduchave established an unusually tions last week buoyed prices high premium over London. If for copper and aluminium on

1985

86

Brazil steps up its sales and the Monday, with the former getting premium narrows a further fall in the overall market could tion of a Peruvian miners strike, result. But most traders believe But the gains were quickly Brazilian exporters, who shipped a lot of coffee in the October/December quarter, will wiped out as these two markets joined in the general easier tone encouraged by sterling's gain against the dollar. Cash hold off the market in the hope of achieving higher prices later. higher grade copper ended the Cocoa prices registered modest losses based on the firm-ness of sterling against the week £4.75 down on balance at £1,008.50 a tonne and cash aluminium lost £12.25 on the

dollar and the May position ended the week £26 lower at week at £788 a tonne. The cash lead price finished the week £10.50 down at £261.50 £1,734.50 a tonne. But the underlying tone was quite steady in view of continuing a toone, erasing rather more than half ol st week's advance, concern about west African crop while cash zinc lost £6.50 at £451.50 a tonne. On New York's frozen con-

On the world sugar market centraded orange juice market prices staged a brief flurry values added a few dollars to last week's strong gains. The tone was helped by a report early in the week when weather forecasters warned of a frost from F. O. Licht, the West German sugar statistics agency, which said the low returns threatening the Florida citrus groves. But the frost proved available at present were likely to result in reduced beet and less severe than expected and cane plantings for the 1986-87

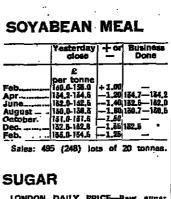
prices retreated to end the week a cent or two down on balance. INDICES FINANCIAL TIMES Jan, 31 Jan, 30 Mith ago Year ago _- _- 298.91

REUTERS Jan, 51µan, 50 Mth ago Year ago 1840.2 1844.5 1776.3 2019.0 (Base: September 18 1931=100) DOW JONES

(Base: July 1 1952=100)

Spot 131.00 131.28 Fut, 130.03 131.44 (Base: December 31 1931 = 100)

Not evallable due to suspension tin LME



LONE \$139.50 (2.00) delivery	LONDON DAILY PRICE—Rew sugar \$138.50 (£98.50), down \$1.50 (down [2.00) a tonne for January-February dailvery. White sugar \$178.00, un- changed.						
No. 6 Yest day's Previous Business done							
\$ per tonne							

(x) Janusy-Februery.

SILVER
Turnover: 171 (156). Silver was fixed 7.8p an ounce lower for spot delivery in the London bullio market yesterday at 431.9p. US cerequivalents of the fixing levels were spot 610.3c. down 6.7c; three-mont 621.4c, down 6.9c; siz-month 633.65; down 6.8c; and 12-month 658.35c, down 7.25c. The metal opened at 4301-4321, (611-613c) and closed at 4411-4431, (605-807c).

SILVER per Toy 431.90p -7.80427.75p 441.45p -8.15 441p

Official closing (sm): Cash 262.5-3 (261.5-2), three months 274-5 (275-5), settlement 263 (262), Final Kerb Close: 275-6. Tumover: 5,025 connes. US Spot: 18.20 cents per pound.

NICKEL Unofficial + or

	€ per	tonne	Highio
Cesh 5 months	2795-895 2860-70	+20 +17,5	2785/2785 2878/2859
Official (2,790-5), 60), settl Karb Clos tonnes.	three mon	itha 2,83 765 (2,	795). Fini
ZINC			

Unofficial + or close (p.m.) — & per tonne 451-2 —5 454/452 461,5-8.5 —3,25 465/461.5 Official closing (am): Ceah 453-4 (452-2), three months 453-4 (455-6), settlement 454 (453). Pinal Kerb Close: 452-4, Turnovar: 7.100 tonnes. US Prime

GOLD

(w) February-March,

, +_o r	High/low	GOLD BULLION (LINE Offuce) Tau				
onne	HIGHNOW	Close \$34914-35				
-3,5 -5,5	788,5/788 821,815,5	Opening \$55312-35 M'ni'g fix. \$554.00 Aft'n'n fix \$350,50	64 (224914-249 (E260,124) (E248,054)			
	(824.5-5),	GOLD AND PLA	ATINUM COINS			
1.450 to	Kerb close: nnes.	Kr'g'r'nd 83501 ₂ -35	11 ₂ (£2504.251			

Krg'rnd 835012-35112 (£25014-251 14 Krug. 818614-18614 (£133-13314		
14 Krug. \$96-96 (£6734-6812) 1/10 Krug. \$3834-3934 (£2734-2812) Mapiejest 636012-36114 £25712-238)		
Angel 85595; 3617; (£2563; 2581;) 1/18 Angel \$361; 4012 (£251; 29; New Sov. \$851; 853; (£603; 611;)		
InNew Soy 550 51 (£553, 3612, Old Soy, \$8912 81 (£64.65) \$20 Eagle 5470 610 (£63512 364 14		
Noble Pint \$3801 ₂ -3843 ₄ (£2715 ₄ -274 5 ₆		

Turnover: 171 (156). Silver was fixed 7.8p an ounce to for spot delivery in the London but market yesterday at 431.9p. US a equivalents of the fixing levels w	
spot 610.3c. down 6.7c; three-mi 621.4c, down 6.95c; alz-month 633. down 6.8c; and 12-month 658.35c, d 7.25c. The metal opened at 4301_43 (611-613c) and closed at 4411_44 (605-807c).	lior con ere: onth 65c, own 21,00
	_

Buillon + or L.M.E. + or Fixing - p.m. Price Unofficial LME—Turnover: 58 (126) lots of Cash high/low 429.5; three months

high 443p, low 441p, final kerb 439-41p.

MEAT

Despite railied due speculative Capitol-CCS	to short- buying,		and tres
İYel	terday's	Previous	Gusine

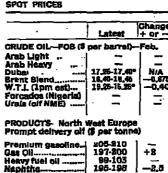
close done p. per Ailo ideadweight) 103.80 | 103.00 | 165.50-165.60 | 103.50 | 105.50-165.60 | 103.00 | 165.50-165.60 | 104.50-165.60 | 105.90 | 106.00 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-165.60 | 106.60-1

MEAT COMMISSION — Average fet-stock prices at representative markets. GB—Cattle 94.53p per kg lw (+1.13). GB—Sheep 182.83p per kg ast dow (+8.79). GB—Pigs 71.84p per kg lw

SPOT PRICES—Chicago loose lard 18.50 (same) cants per pound. Handy and Harman silver bullion 608.0 (619.0) cants per troy ounce.

Sales: 1,420 (2,105) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis augar was £202.50 (£203.50) a tonne for export. International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for January 30: Daily price 5.28 (5.30): 15-day average

PARIS — (FFr per tonne): March 1310-1314, May 1340-1345, August 1380-1385, Oct 1417.1425, Dec 1450-1465, March 1510-1520.



 March Petroleum Argus estimater

GAS OIL PUTURES

S U.S. er tonne 192.50 — 3.50 188 00-80.00 1777.80 — 5.90 180 00 75.25 1712.25 — 4.76 176.25.58,76 167.00 — 3.00 167.54 84.00 186.50 — 4.76 187.00 85.00 166.25 — 4.76 187.00 89.00 256.25 — 5.76 189.00 88.25 169.80 — 1.76 188.50 88.08 Turnover: 3,973 (4,229) lots of 100

CRUDE OIL FUTURES-Brent Blend GRUDE OIL FUTURES—Brent Blend Index. 8 s barrel, (Close, chengs, business done): Index 18.95, +0.33; March 18.00-18.30, -0.625, 18.30-18-10; April 18.00-18.20; May 18.00-18.50; June 18.00-18.50.

US MARKETS

PRECIOUS METALS came

under aggressive selling pressure in response to reports that the South African Government was will-

ing to make concessions with regard to pass laws, reports Heinhold Commodities. Copper and aluminium came under pressure as fresh selling developed in response to the weakness in precious metals. Sugar fixmed on good buying linked to Russian inquiry. The lack of pro-ducer selling led to a recovery in eocoa values. Coffee traded mixed with light support developing in March on the failure of Brazil to reduce minimum registration prices. Cotton gained ground on the belief that advanced deficiency payment will not relieve nearby supply tightness. The oil markets remained in the deldrums with buyers withdrawn, awaiting news from the February 3 Opec committee meeting which will spell out Opec's new production target. The grain complex traded mived with light professional selling pressuring nearby wheat values. The soyabean complex moved lower in response to rainfall in Brazil and weak product demand.



85,15 86,10 86,40 86,60 66,85 87,40

56.00 54.20 52.65 52.40 52.70 53.45

54.50 55.00

54.50 54.60 55.00

75.30 89.80 97.00 76.50 84.30

COCOA

74.00 89.10 96.50 72.00 85,00

Sales: 723 (1,317) lots of 40 tonnes,

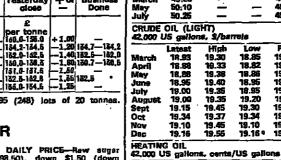
Futures traded in quiet conditions in a narrow range for much of the day until a relly on his close lifted prices to the highs. Both producers and consumers were withdrawn but goods accord-hand interest for the nearby positions was noted, reports Gill and

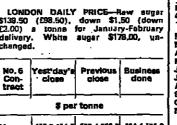
per tonne

... 1739-1740 + 6.0 1741-1755 1734-1735 + 8.5 1738-1722 1756-1767 + 7.0 1799-1746 1782-1763 + 6.5 1798-1775 1802-1903 + 2.0 1799-1798 1824-1825 + 2.5 1824-1819 1836-1840 - 2.5 1858

55.28 53.45 51.47 51.31 51.50 52.60

54.50 65.00





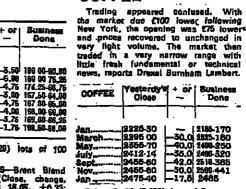
POTATOES Follow-through selling weakened values by almost £1.00 before fresh buying ereaed most of the fall. Afternoon trade was steady but quieter, breaking over £90.00, besis April, but falling to maintain the strength through to the close, reports Coley and Harper.

OIL

Brent prices drifted lower in very thin trade prior to the Opec meeting. In the petroleum products market, gas oil firmed slightly on a prompt



Sales: 2.424 (2.105) lots of 10 tonnes. ICCO indicator prices (US cants per pecula). Dally price for January 31: 104.60 (103.57): five-day average for February 3: 104.13 (104.21). COFFEE



Sales: 5.405 (8.380) lots of 5 tonnes. ICO indicator prices (US cents per pound) for January 30: Comp detty 1979 175.82 (178.33); 15-day average 197.56

CHICAGO LIVE CATTLE 40,000 lb, cents/lb Feb 58.10 58.65 57.86 April 61.90 62.25 61.50 June 61.97 62.25 61.70 August 59.95 60.05 59.65 Oct 58.32 58.60 69.25 Dec 80.00 60.05 59.88 LIVE HOGS 30.000 lb, cents/lb Close High 45.15 46.10 41.22 42.76 45.27 46.95 48.07 45.95 44.37 45.75 41.32 41.90 42.40 42.85 42.80 42.80 Feb April June July August Oct Dec Feb MAIZE 5,000 bu min, cents/56-lb bushel

Close 244.0 244.6 244.2 221.4 215.4 Close High Low March 244.0 244.0 242.4 May 244.6 244.6 243.2 July 244.2 244.4 242.2 Sept 221.4 223.4 221.2 Dec 215.4 227.4 215.2 March 224.0 226.2 224.0 May 223.0 229.4 228.0 PORK BELLIES 38,000 lb, cents/lb Close High 62.12 63.90 62.47 64.40 63.50 65.55 63.70 65.40 61.35 63.27 SOYABEANS 5,000 bu min.

Prev 59.70 59.72 57.76 49.90 48.63 49.42 49.62 49.60 Close High 533.0 537.0 542.4 547.0 551.4 554.2 553.0 534.2 537.4 529.6 533.0 540.0 542.4 549.6 652.4

SOYABEAN MEAL 100 tons, S/ton Prev 19.65 19.61 19.61 19.61 19.64 19.67 19.70 19.73 153.5 Dec Jan March 149.9 150.8 150.1 — 153.7 — 19,76 19.79 SOYABEAN OIL 60,000 lb, cents/lb

Close High 19.74 19.97 20.14 20.40 20.48 20.63 20.57 20.75 20.55 20.65 20.50 20.95 20.82 20.95 20.93 19.70 20.10 20.40 20.45 20.50 20.40 20.70 59.55 57.28 65.45 53.47 53.40 64.60 64.70 65.20 66.00 WHEAT 5,000 bu min

Close 327.2 288.2 270.6 271.6 High 328.6 289.0 271.6 273.0

PHYSICALS — The market opened slightly steadier, met maistance at the higher levels and closed quiet and slightly easier, reports Lawis and Peat. Closing prices (buyers): Spot 60.00p (same), March 59.00p (59.25p), April 59.50 (59.75p). The Kuals Lumpur fob pricas (Malsysis/Singapore cents) per kg RSS No 1 was 185.5 (185.0), and for SMR 20 189.0 (185.5).

GRAINS

RUBBER

Business done—Wheat: March 116.68-8.20. May 120.30-19.90. July 122.70-2.35. Sept 99.30-9.10. Nov 102.40-2.30. Sales: 454 lors of 100 tonnes. Barley: March 114.50-4.40, May 118.05-7.75. Sept 98.10-7.90. Nov 101.25-1.05. Seles: 135 lots of 100 tonnes. BARLEY

Mar... 116.65 +0.25 114.40 - May... 120.26 +0.05 118.00 +0.10 July... 122.70 -0.20 97.90 -0.45 Nov... 102.40 -0.30 101.05 -0.45

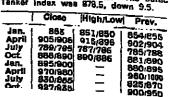
Nov... | 108.40 | -0.36| 101.06 | -0.45

LONDON GRAINS—Wheat: US dark northern spring No 1 15 per cent Feb 136, March 136, April-May 125.75 trensshipment east coast. US No 2 soft red winter Feb 123.25, March 121.50 sellers. EC French Jen 138 seller. English food feb customs cleared 125 buyer, Feb 183.60 seller, March 119-120, April-May-June 122.75-123.25 buyers-sellers, Sept 102 seller, Oct-Dec 105.25-105.75, Jan Feb-March 111-111.75 buyers-sellers. Maize: US No 3 yellow-French transshipment east coast Jan 141. Barloy: English lead fob Feb 18.50, Rest unquoted.

unquoted.
HGCA Lacadonal ex-farm spot
prices. Feed barley: Eastern 111.30,
E Milds 113.10, N East 112.50, Scotland t Mids 113.10, in cost 116.30. Scotland 110.10. The UK monetary coefficient for the week beginning Monday Fabruary 10 (based on HGCA calcula-tions using three days' exchange rates) is expected to remain unchanged at 1.081.

FREIGHT FUTURES

The January position expired at midday at 853 on the besis of a five-day 8Fi average. The physical market gave no indication to the behaviour of the April position, which at one stage rose to 915 on short-covering and renewed trade buying, reports Clarkson Wolft. The Battic Freight Index was 831, down 5.5. The Baltic Tanker Index was 878.5, down 9.5. Close High/Low Prev.





LONDON STOCK EXCHANGE

Run to record levels continues and FT index closes

Account Dealing Dates *First Declara- Last Account

*First Declara- Last Account Dealings tions Dealings Day Jan 13 Jan 23 Jan 24 Feb 3 Jan 27 Feb 6 Feb 7 Feb 17 Feb 10 Feb 20 Feb 21 Mar 3 * "Now-time" dealings may take place from 9.30 am two business daysearlier.

The fundamentals responsible for the charge forward in leading stocks to record levels this week were unchanged yesterday. The change of sentiment over interest rates has been a major factor and investors have also taken heart from a steadier trend in North Sea oil prices. This has eased the pressures on This has eased the pressures on the sterling exchange rate.

Fears of dearer money have rears of dearer money nave not conpletely faded, but it is hoped that the recent cut in the Japanese discount rate will have repercussions in both America and Europe. The Japanese Finance Minister called yesterday for the major industrialised actions to reduce water to help nations to reduce rates to help the developing countries with their debt problems.

Equity market interest has recently switched away from blue chip issues to a wide range of speculative situations but this ever level. Over the five-day period, the index has risen nearly 35 points to 1,161.0 The FT-SE 100 share index gained 5.9 yesterday to 1,435.0, some 20 points below the highest since

The search for the next bid of the shares again fluctuated. Speculators' appetites were whetted further by the offer for Exchange Telegraph, and re-newed talk that a major merger

leading currencies. Business was light but longer-dated issues edged higher in the absence of any worthwhile selling to close with rises extending to 1. The market hesitated before the official 3.30 pm close on thoughts of possible fresh Government

Hambros up again

Comment on Hambro Trust's surprise decision to sell its shareholding in Hambros induced further good support for both companies yesterday, Ham-bros advanced 17 more making a two-day advance of 52 to a new peak of 217p, while HT jumped of 54 to 552p. Dixons rose 24 29 for a two-day gain of 60 to more to 974p, but recent specu-247p. Estate Agents Bairstow lative favourite Sears encoun-Eves rose 9 afresh to 162p in sympathy. Other merchant banks also continued firmly with Hill Samuel closing 5 higher at 370p and Leopold Joseph 7 dearer at in; banks drifted lower for want of support. Barclays cheapened 5 to 458p, but retained a rise of 25 on the week at 458p following the proposed \$500m floating rate note issue. Midland declined 8 at 430p and Lloyds relinquished 9 at 453p. NatWest ended 5 off at 21 up at 56p. Lee Cooper ended

Abbey Life, a firm market last month following several New Year investment recommenda
another 5 dearer at 215p. Wadkin, at 170p, pending an 179p, a gain market last Elsewhere is Leading Foods ended the first Elsewhere is leg of the Account on a subdued Samuelson

the week 34.8 up at 1161.0

Quiet conditions again prevailed among leading Breweries, which settled a couple of pence firmer for choice. Among Regionals, Davenports were marked 37 higher to 410p in response to the increased and final offer from Wolverhampton and Dudley, unchanged at 415p.

George Wimpey were a parti-cularly firm market as US bid rumours revived and touched 146p prior to closing 3 higher at 143p. Redland attracted buyers at 373p, up 3, and RMC improved 4 to 494p, Blue Circle however, continued to reflect the poor results from its Malayan subsiresults from its Malayan subsi-diary and slipped to 540p before settling 5 off at 543p. Rugby peaks. Yesterday it rose 4.6 more and for the second con-secutive session closed at a best-ever level. Over the five days taking and softened a couple of pence to 159p. Secondary Build-ings displayed numerous bright features. Ward Holdings were supported following reports of a broker's circular and rose 18 to 276p, while USM-quoted Polypipe attracted buyers for the same reason and raced up 32 to 235p The search for the next old candidate continued to generate reason and raced up 32 to 235p a high level of business. Rumours that a predator was ready to pounce on Beecham Group, up 8 more at 250p in a refused to subside, despite market short of stock, and Thursday's denial, and the price of the shares again fluctuated. Attwoods revived with a gain of Special story's appetities, were 6 at 140p, while Copson put on 2; to 36;p, but profit-taking in the wake of the interim results clipped 4 from Robert M. Douglas r takeover was in the offing. at 91p. Pochins continued to Government securities were trade firmly in the wake of a beneficiaries of the pound's newsletter recommendation and better showing against other rose a further 20 to 350p for a gain on the week of 45. Bellway rose 9 to 151p on speculative buying.

ICI were boosted by traded option activity and US buying and touched 820p before settling 10 higher at 816p. Among other Chemicals, takeover speculation ever, the tone improved in the after-hours' trade.

lifted Hickson International 7 more to 392p and Rentokil 6 to 167p.

Burton feature

Leading Retailers closed the first leg of the Account in relatively subdued form. Burton, however, attracted revived and often sizeable buying and advanced 12 for a gain on the week of 54 to 552p. Dixons rose 24 more to 974p, but recent speculative favourite Sears encountered occasional offerings and dipped a couple of pence to 115p. Elsewhere, Executex Clother were again supported at 204p, up 6. Comment Andre De Brett, interim results expected on Monday, put on 3 to 25p. A. Goldberg met revived demand in the wake of a broker's visit and rose 5 more to 105p, while Martin Ford, annual re-sults due next Thursday, closed another 5 dearer at 218p.

Vosper, Hongkong and Shanghai Banking, Apricot Computers, Pavion, Duport, Sound Diffusion,

168.0 169.5 1257.4 1500.9

OPTIONS

red of Stanley, Barrack

Feb 17 Feb 28 May 29 June 9 Tootal, Delta Group, Hanson

Mar 3 Mar 14 June 12 June 23 Trust, A. G. Stanley, Barrack

Mines, STC, Polly Peck, Amstrad,

For rate indications are end of

For rate indications see end of Unit Trust Service
Call options were taken out in Cowan de Groot, Munton Bros,

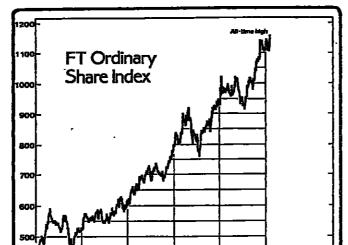
Mines, Sill, Folly Free, Amster, Racal, Energy Capital, Tiphook, International Signal and Control, Audictronic and Bestwood. A put was done in Westland, but no doubles were reported.

LEADERS AND LAGGARDS

Last Last For Deal- Declara- Settle-

ings logs tion ment Feb 3 Feb 14 May 8 May 19 Feb 17 Feb 28 May 29 June 9

Govt. Secs. 84.57 78.02 127.4 49.18 Bargains...
[18.10.455] (22/1/85) (8/1/85) (5/1/75) (5/1/



note with small irregular move-

ments the order of the tay. Elsewhere, recently-neglected Christian Salvesen revived strongly and rose 7 to 132p, while A. G. Barr gained 9 more to 300p in a restricted market. Associated Fisheries shed 5 to

120p following comment on the

Among Hotels and Caterers,

Garfunkels found support and firmed 6 to 136p, while Isle of Mann Enterprises gained 10 to

70p in a restricted market. Mount Charlotte added 4 to 92p

Beecham, despite the com-pany's denial of recent bid or

merger talk, continued to meet speculative demand and put on

Corporation with regard to the termination of the latter's royalty contract on the video collection. Extel advanced to

403p before settling 15 higher at 395p on news of the bid of

409p per share, subsequently rejected, from Demerger Cor-

poration. Comment on the pre-

figures

renewed firmness in Rank Organisation, which hardened 3 more to 497p, after 503p, for a

two-day rse of 57. London and Northern were good at 71½p, up

and Clement Clarke 8 further to 1680. Duport continued to make

progres with a fresh rise of 41 to 701, while Bowater. reflecting

news that Hanson Trust had increased its stake in the com-

Bid rumours continued to

Group

pany, put on 15 to 300p.

Leading Foods ended the first Elsewhere in the Leisure sector,

prompted in Rank

liminary renewed

on speculative buying.

Beecham improve

participation in the Channel note with small irregular move-Tunnel consortium, while British ments the order of the day. Telecom firmed a few pence Eisewhere, recently-neglected more to 188p, still on relief that its £150m bid for Mitel of Canada strongly and rose 7 to 132p, had escaped a Monopolies Com-while A. G. Barr gained 9 more mission reference. Mitel closed 21 lower at 360p. Nervously sold of late on fears that the Ministry of Defence might cancel the expensive Nimrod contract, GEC rallied 4 to 170p. Plessey put on a couple of pence to 184p and STC reflected recovery hopes with a rise of 8 at 110p. Elsewhere, A. G. Security advanced
7 to 37p and Louis Newmark
appreciated 20 to 260p in response to Press comment.
Speculative buying pushed
George Scholes up 20 to 465p in
this market and Automated a thin market and Automated Security the same amount to 160p. Comment on the annual figures left Domino Printing 30 to the good at 305p, while Electronic Machine improved a few pence to 58p on further consideration of this week's announcement that Mr Cawthorne had increased his stake in the company to over 8 per cent. Questel found support at 178p, up 21 and FET Grand 21 178p, up 21 and FKI firmed 3; at 56;p. Amstrad paused for breath and closed a couple of

pence easier on the session, but still 64 higher on the week at 256p; the rise followed a bullish forecast from brokers Wood Mackenzie that home computer sales would rise by 18 per cent. Engineers recorded several noteworthy movements. Vosper

Clothes were again wanted and improved 7 to 54p—a rise of 14 Holdings 10 cheaper at 338p, but over the five-day period, while F. Cooper firmed 2 to 40p on andre De Brett, interim results news at E. B. Kirk has acquired from F. R. Cooper 10.22 per cent of the issued sharp capital of Cooper and has taken up an option on a further 2.5 per cent of his shareholding. Dealings were temporarily suspended in Surround casino group Aspinall and the close was 6 higher at Wadkin, at 170p, pending an 179p, a gain on the week of 22.

revived demand and rose 10 to 275p, while Chrysalis gained the same amount to 213p. Fairline Boats, a firm market recently in the wake of the annual meeting, slipped 4 to 144p on profit-taking. Jaguar traded in lively fashion

and closed 3 dearer at 390p, while Lucas improved the same while Lucas improved the same amount to 511p. BBA, which made an agreed bid for Automotive Products at the beginning of the week, rose a further 10 to 193p, with AP similarly higher at 191p in sympathy. Among Motor Distributors, BCA attracted speculative support at 107p, up 4, while Kenning

Publishers lacked a decided advanced 10 to 153p, but profit-taking clipped a few more pence from United Newspapers, 320p. Paper/Printings, on the other hand, made further headway, with BPCC another 5 to the with BPCC another 5 to the good at 223p, and Bunzl 7 up at 500p. after 503p. Buyers dis-played renewed enthusiasm for David S. Smith, 5 up for a gain on the week of 30 to 177p. Osprey Communications har-dened 3 to 56p despite the interim profits setback.

Properties attracted selective buying interest. British Land were favoured and gained 5 to were favoured and gained 5 to 155p, while Brixton Estate firmed 4 to 145p. Haslemere Estates picked up 7 at 495p and Hammerson A hardened 5 at 455p. Buyers returned for Greycoat, up 8 more at 232p, and Laing Properties, the same amount higher at 285. Comment in the Financial Times directed fresh support towards fresh support towards Rosehaugh which moved up 25 to 435p, while Regalian rose 15 to 360p on dockland developspeculative demand and put on 8 to 365p. Other movements in the miscellaneous industrial leaders were limited to a few pence either way. Elsewhere, Prestwich advanced 14 to 132p on news that the company had reached agreement with Heron

ment prospects. Textiles finished an extremely lively week on a bright note. Courtaulds again led the way, rising 7 for a two-day advance of 12 at 214p. Dawson Inter-national, a depressed market recently following the proposed merger with Coats Patons, rallied a few pence to 202p, while "call" option business limited Tootal a penny more to option business

Speculative counters continued to make useful progress with Illingworth Morris another 6 to the good at 100p and Sirdar or up at 152p. Don Bros Buist were marked 10 higher to 142p, while Towles A put on 4 for a two-day rise of 11 to 76p.

12, on the announcement that legal proceedings against the compay had been discontinued and that the amount of £5.25th, Tobaccos were irregular. Imps dipped 4 to 246p, after 242p, in the wake of Hanson which had been put into escrow, has been released back to the group. Buyers showed interest in F. H. Tomkins, 12 to the 5 dearer at 136p, after 138p. Trust's latest offensive, but revived demand was evident for Rothmans International, finally good at 225p, and Suter, 8 dearer at 188p. Speculative activity lifted Lep Group 6 more to 287p

A gradual decline in North Sea oil prices ahead of next week's OPEC meeting effectively dampened interest in the leading oils which moved narrowly. BP traded quietly and ended the session a shade easier on balance at 577p, but Shell edged up 2 to 670p. Ultramar put on 3 to 215p.

Secondary oils provided a firm feature in Carless Capel which jumped to 91p on rumours

NEW HIGHS (121) BRITISH FUNDS (1). AMERICANS (2). BANKS (5). BREWERS (1). BUILDINGS 112). STORES (6), ELECTRICALS (3).

ENGINEERING 141. FOODS (3).
HOTELS (2). INDUSTRIALS (26).
INSURANCE (1). LEISURE (2). MOTORS
(6). PAPER (7). PROPERTY (5).
SHOES (1). TEI_BTILES (5). TRUSTS (15).

of an imminent bid before closing a net 5 to the good at S7p. Premier Consolidated added a penny more to 33p, still boosted by talk of a three-way merger with Clyde Petroleum and Goal; on Monday Premier revealed it had acquired an 11 per cent interest in Goal.

Overseas Traders continued to advance across a broad front. Lonrho, still buoyed by consortium takeover rumours, rose 5 to 232p following the favourable reception given to the preliminary results. Incheape were also in demand at 340p, up 7, while Paterson Zochonis improved 10

Golds quiet

President P. W. Botha's major 107p, up 4, while Kenning policy speech at the opening hardened a couple of pence to of the South African Parliament proved very much an anti-climax trend. EMAP A responded to kets. London dealers expressed fresh speculative support and general satisfaction with the proposed moves on social reform in the republic, but inter-national operators preferred to adopt a wait-and-see attitude to the latest developments.

more to 213p. Polly Peck rallied 7 more to 165p.

Gold shares opened with wide-spread falls ahead of the Botha speech, but this was generally regarded as a reaction to overnight US selling. Bullion's decline over the session did little to encourage buying interest and share prices consequently drifted easier for much of the day, to leave the Gold Mines index with a 0.9 fall on the day to 341.3; over the week the index improved 13.8.

Little interest was shown in Australians which were no better than mixed in overnight Sydney and Melbourne markets. A handful of the Golds responded to continuing London support most notably Pancon-tinental, up 3 at 98p.

Activity in the Traded Option market continued to highlight Lonrho which attracted 2,496 calls, the May 220's and 240's contributing 502 and 759 trades respectively, as operators took fresh positions amid widespread speculation of a consortium take-over. Imperial Group were also extremely active and recorded 1,963 calls, 747 in the May 240's, and 1,231 puts, the February 240's proving popular with 509 trades struck. Recent strength in the underlying security prompted interest in Courtailds which attracted 1,008 calls. The FT-S 100 index contract attracted another lively and evenlyanother lively and evenly-balanced business with 832 calls and 912 puts traded. Total contracts transacted amounted to

EEC production rises Industrial production in the European Community is estim-ated to have risen 3.5 per cent in 1985, according to the statistical services of the Commission. This compares with 2-2.5 per cent for the US and

4.5-5 per cent for Japan. The Community's industrial production index at the end of November stood at 113.5 before adjustment, increase of 5.2 per cent over a year before. The average of the index for the three months to November was 1 per cent higher than in the preceding three months, reflecting, said the Commission, "a definite rise in the growth rate."

OVERSEAS TRADERS (1), PLANTÁTIONS

NE WLOWS (9)

Rises Falls Same

123 137 73 219

AMERICANS (1) Microcomputer Memorios, CANADIANS (2) BCE, Bow Valloy, ELECTRICALS (1) Mirel Corp., OLS (3) Hamilton Oil Scentre Resources, Southeest Resources, PLATATIONS (2) Bertram, Malaysian Plantations.

NEW HIGHS AND LOWS FOR 1985/86

RISES AND FALLS YESTERDAY

Westing Far Eastern Inc Tat 41-pcPf (E1)
42 127/11. SpCPf (E1) 41 (29/1). 36
Floring Marcantile Inv Tat 4pcPf (E1) 36
(27/11)
Floring Overseas Inv Tat SpCPf (E1) 44
(27/11) Universal Inv Tst SocPt (E1) 44 velgn & Cgl Investment Tet SpcPT (£1) 40 3 (29/1) Gartmore Information & Fin Tet 44pcPf 140 (29/1) General Funds Invetment Tet SpcPf (£1) 44 (27)11 General Stockh Invistment Tist 51:pcPf (£1) 45 7 (29)11 German Securities Invistment Tist (£1) 55 12 German Smaller Co's Invitment Tit Wrts Invalment 7st 111;acLn 1990-95 47
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MINES-SOUTH AFRICAN

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PROPERTY

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Churchbury Estates Specinsian 1988-93
5744;
Churchbury Estates Specinsian 2000 \$81½;
C8913;
City Sing Estates 10pcPf (20p) 125 30
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Dares Estates Specinsian 1892-97 £65;
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PLANTATIONS Anglo-Esstern wrnts 15 7 (29/1). 12/spc 1995-99 £78 80 (29/1). Anglo-Indonesian 9/spc (£1) 220. Fitg Rate Ln 1985-88 £88 Dunlow Plant Soc (£1) 50 (28/1) Hidong £st (10p) 55 (24/1) Hitz Rubber (10p) 45 (29/1) McLeod Russel 7pc 1986-91 £75 (24/1) Riverview Rubber £st (5M1) 112 (29/1) Western Dooars Tea (£1) 550 (29/1)

RAILWAYS Cenadian Fec (NPV) £96 t-0. 4oc (NPV) 45. 4pcDeb £340 Onbirro & Ouebec 5pc £55 (27/1) SHIPPING Common Bros (50a) 51-Craig Shipping (£1) 550 (29/1) Live Shipping 61-ac (£1) 20 (29/1) P&O 50c £421; Wrnts 101. 31-pc £29 (24/1) S'namoton, low & SOE (50p) 230 (27/1)

UTILITIES Iristol Channel Ship Repairers (10b) 64 Manchester Ship Canal 5pc (£1) 150. 1st 3 : pc £29 (20:1), 3 : pcDeb £29 30 (29:1), 2ec £20 Mersey Docks & Harbour (Com) 30: 1 1, 3 : pc 1979-89 £70 (27:1), 6 : pc 1996-99 £60 (28:1), 3 : £21 : (27:1)

WATERWORKS

purnemouth 3.5pc £40; 4;. 2.8pc £29 (24/1) Coine Valley 3.5pc £41 (27/1), 4.025pc 1988-93 £68 (28/1) East Anglian 4pc (Apr & Oct) £31 1988-95 £68 (2811)
East Anglian Apr (Apr & Oct) £51 (2711)
(2711), 11 SOpe 1995-97 £984 (2712)
East Surrey 2.6x £7. 6. 5.6pc 1992-94
East Surrey 2.6x £7. 6. 5.6pc 1992-94
East Worts 3.5pc £40 (2811), 3.5ac £41 (2711), 4.025pc 1985-88 £82 (2811)
East Worts 3.5pc £40 (2811), 3.5ac £41 (2711), 4.025pc 1986-88 £82 (2811), 571 (3910), 571 (2811), 571 (3910), 571 (2811), 571 (3910), 571 (2811), 571 (3910) Newcastle and Gateshead Water 2.450cPf 525
Portemouth Water 13ccDb 1994 \$1081;
127111
Rid-mansworth Water 3.5pc \$29 41
12911 2.8pcPf 5289
5. 5t db Wittroords 4.9pcClassA 5511;
5. 5t db Wittroords 4.9pcClassA 5511;
9.1pcDb 5520
5. 5t db Wittroords 4.9pcClassA 5511;
9.1pcDb 5520
5. 5t db Wittroords 4.9pcDb 527 12711;
4.1pcClb 5520
5. 5t db Wittroords 529 12811, 71:pcDb 527
UNLISTED SECURITIES MARKET American Electronic Computer Cipt 2912 Applied Holographics Wryte 210 5 (27/17 Biomechanics 19th, 1109) 28. Specia. 6135 Brookmount 16112 5 6 7 12 65 6 32 9 icinquia (1912 9 770-7 8 63 (24/1)
icin Sciul 270-7 8 63 (24/1)
icin Securities 58 7 (28/1)
2 Emmaid Mines 80 (28/1) intervision voice (Hidgs) (10s) 4 %. 794 Pf (C1) 164. Lacques Vert (10s) 119 C0 Montory Ephastet 7.8scH (1781) 110 178 Univers Co (10s) 128 32 % (278). Momenty Communet 7.8007 (1721) 110
128:10
141.craysters Go (100) 128 32 4 (2771).
New (100) 123 4 5 7
Midstummer hims (500) 253
Monta and Carne 1700 253
Morrant Systems (191) 25 5 6 (2817)
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Paul Michael Leisurgers (50) 14 (2771)
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Segmen Intil New (100) 25 (1)
Technology for Business 79007 (61) 1032
105 (2771)

SPECIAL LIST RULE 535 (4) (2) Bargains marked in securities where principal market is out-side the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official

granted in London and Office are not recorded in the Office are not recorded and recorded are not recorded are not recorded and recorded are not recorded a

C3917)
Johnson Johnson £351-0
Johnson Mining (A4-, 20) 190 18 (28/1)
RLM £16 .05 .25
R Mart Corp £257 (28/1)

MA Com Int. 925 G8(1)
Mannesman US31/64
Merriott Com £83 C8(1)
McDonald's Core £83 C8(1)
MCI Comms 3900
Mid-East Minerals 140
Moet-Remeaster F 910 (28(1)
Mount Cartenesman F 910 (28(1)
Mount Cartenesman Mines 380 (28(1)
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Northrop USS:33 (23'11)
Oran Drilling Exploration/USS:33-20
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Otter Exploration 231-9 6 (27'11)
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Pan Pacific Pet 20 1/0 (24'11)
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Paragon Res 10th
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ernex 25 durriths (AS 0.50) 170 (24;1) maid inthi 1800 (29;1) nx 2012 (24'1) RULE 535 (2)

Applications granted for specific bargains in securities not listed

91)
21 Metal Corp 105 15 (24.1)
3. 5.40cPf 20 5 (29.1)
3. 51 Brewery 563 75 (29.1)
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4.550 Harbour 4.5500b 625 (24.1) Apoleton 15 is (27.1)
Apoleton 15 is (27.1)
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Rurhocan Hides 3h 4.12
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Cambridge Inst 118 20
Cartino 3h (24.1)
Casternam Brew 3hocist \$28 (28.1)
Chansel Hotels Procs 130
County Aispend 2751;
Dart Valley Light River 128 (28.1)
Davern (Wm) 400 2 (27.1)
Erricalstical Ins Office 2.8pcPt 22 5
(24.1)

Dealings for approved companies engaged solely in mineral exploration Kenmare Off Exploration (150.25)

RECENT ISSUES

FINANCIAL TIMES STOCK INDICES	RECENT 1330L3
Jan. Jan. Jan. Jan. Jan. Jan. year 31 30 29 28 27 24 ago	EQUITIES
Government Secs 80.54 81.23 81.11 81.15 80.61 80.74 79.87 Fixed Interest 87.24 87.18 87.14 87.15 86.70 86.78 83.44 Ordinary *	Para Para Para Para Para Para Para Para
Gold Mines	180 F.P. 1511 230 195 Abbott Mead Vickers 228
10 am 1155.0, 11 am 1158.5. Noon 1160.0, 1 pm 1160.2, 2 pm 1159.8, 3 pm 1161.4, 4 pm 1161.2, Day's High 1161.6, Day's Low 1154.7, Basis 100 Government Socurities 15/10/26, Fixed interest 1928, Ordinary 17/35, Gold Mines 12/9/55, SE Activity 1974, Latest Index 01-246 8026, *Nil=11.07 HIGHS AND LOWS SE ACTIVITY Jan. Jan.	T15 F.P. 7/2 128 110 Lexicon Inc. \$0.01 113 +3 bg1.
- 1985/86 Since Compilat'n INDIGES 30 39 High Low High Low Dally Gilt Edged Bargains 123.7 137.5 (81/1/5) (81/1/5) (81/1/5) (81/1/5) Bargains 154.0 167.1	FIXED INTEREST STOCKS
Fixed Int 90,98 82,17 150,4 50,53 Value	Issue En se price on 1985/6 Stock

Issue price	Amount paid up	atest anune. date	198	5/6	Stock	Closing price &	- - -
	₹₫.	<u> </u>	High			<u> </u>	<u> </u>
	£25 F.P. NII £10 F.P. £40	4/4 11/4 30:6 26:2 28/2	2458 2514 11217 8pm 1012 99: 404 4014	233 87; 7; pn 10 981	IAllied Lon.Props.1923 istMort.Deb.2025 First Scot. Am. 1112 Deb. 2016	93p 8pm 101 ₂ 991 ₇ 367 ₈	+ 14 + 14 + 16 + 18

RIGHTS OFFERS

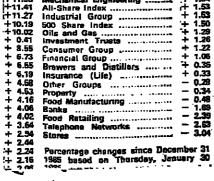
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277 1,682 52 82 83 370 320 4,244 2,118 7,707 YESTERDAY'S ACTIVE STOCKS price 395 816 246 390 712 price 213 179 141 366 243 214 THURSDAY'S ACTIVE STOCKS No. of Thur. changes close 22 494 22 133 21 258 20 358 17 870 15 67 No. of Thur, changes close . 15 112 . 15 356 . 14 173 . 13 462 . 13 806 change + 5 + 15 + 23 - 6 + 11 + 4 **5-DAY ACTIVE STOCKS** Based on bargains over the five-day period ending Thursday. Last Change Thur. on close week 806 ±21 224 ±23 560 ~10 227 + 8 870 +45 181 +63 week -8 +10 +26 +39 +19 +68 258 358 133 158 114 110 109 105 387 387 244 253

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Gold Mines Index +38.99 Office Equipment +11.98 Mechanical Engineering +11.41 Mining Finance +11.27 Mining Finance +11.27 and Metal Forming ... Metals and Metal Forming ... +10.02 Textiles ... +10.02 Insurance Brokers ... +0.41 Insurance Brokers ... +0.41 Insurance Brokers ... +0.41 Insurance Brokers ... +0.41 Investment Trusts ... Consumer Group ... Financial G

	+ 4.16	Food Manufacturing
Packaging and Paper	+ 4.06	Banks
Capital Goods	+ 4.02	Food Retailing
Publishing and Printing	+ 3.64	Talaphone Networks
Building Materials	+ 2.54	Stores
Contracting, Construction	+ 2.44	
Overseas Traders	÷ 2.24	Percentage changes since Dece
Shipping and Transport	·+ 2.16	1985 based on Thursday, Jap.
Electronics	200	1000
- 	_	-



STOCK EXCHANGE DEALINGS

in before have been taken with consent from they are not in order of execution but in official. List and should not be reproduced day's highest end lowest dealing prices. For those securities in which no but not included in the FT Share information.

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS Asian Deval Bi 10kpcln 2009 (Res)

4 & C20 C81/2 CP

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CORPORATION & COUNTY

UK PUBLIC WORKS Clyde Port Austrories 5284 Commonwealth Devel Finance /TenaDb 1984-68 £685a (29/1) Great Ouse Water Austrories 54pc 1986-1988 £685a (29/1) Metropolitan Water 3pcA 1963-2003 COMMONWEALTH GOYT.

Jersey Electricity Spc. 2000 E74. 5

FOREIGN STOCKS

(coupons payable in London)
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Spc. Loop 19 Jersey Electricity 5sc. 2000 £74. 5 (2711). Spc 2000 £824

STERLING ISSUES, BY?

OVERSEAS BORROWERS

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BANKS, DECOUNT BANKS, DISCOUNT

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MONITHI V AVERAGES OF STOCK INDICES

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everyment Securities	87.34	88,94	89.18 1099.3	89,96 1054.2
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with the relevant date. \$ Bergains at special prices. © Bargains done the previous day. A Bardone with non-member or executed in overseas markets.

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Laddroke Gp 26 7 (29/1). SocLnGtd 1990-92 \$22; (28/1).
Laing (John) "A" 296 7 8 9 300 5 7 8 19 196 6 6 6 6 6 1981-36 £97. SocLn 1988-93 £72; (24/1).
Laporte Indus (Holes) SocDb 1993-98 £78; (24/1). 104scDb 1994-99 £93 (29:1).
Latham (James) SocPf £1) 92
Laurence Srott 6 socDb 1985-90 £784 (27/1).
Levid (John) Parinachia English (51) 42

| Section | 1987-92 E891 | (29/11) | Control | 1985-90 | E1001-0 |

N.—O—P

NSS Newsagents 10pcCavLn 1990-2000 £162
£162
Newstan Indus 101pcLn 1996-98 £80
News Indus 1 10pcChr 1995-98 £80
News Indus 1 1 10pcChr 1995-98 £80
News Indus 1 1 10pcChr 1997 £244 ½; (241), 74pc1straphs (987-92 £85 (241)
Norrato 1997 £21) £112-153/pcDb 1990-1990-1991 £12
Norrato 194 (281) £112-153/pcDb 1990-1991 Norrato 194 83-pcLa 1999-2004 £113
Norrato Data A5 ClassB(NV) (NK20) £38
(291)
North British Steel Grp (Hidgs) 15½
(291)
Northern Eng Inds 3pcPf (£1) 35 (281), 7pcLa 2000-05 £61 (281)). 83-pcLa 1988-93 £35 (291)
Northern Eng Inds 3pcPf (£1) 35 (281)
Northern Eng Inds 3pcPf (£1) 35 (281)
Northern 2000-05 £61 (281)). 83-pcLa 1988-93 £35 (291)
Parkland Textile (1815) 170. 5.15pcPf
£138 Zectonis 10pcPf (£1) 115 (2811)
Parkland Textile (1805) (10p) 33
Parkland (20p) 10pcLn 1988-93 £72; 4
(20p) 1. 101pscLn 1993-98 £914 (281), 13pcLn 2007 £109 10 (271), 70pcLn 1993-88 £72 (241)
Panus Ditt (20p) 110. 135-pcLn 1990-84 1993-98 £216 5
pegier-Hattersley 7pcLn 1999-94 £72
(24'1)
pentus Dtd (20m) 110. 15 pcLn 1990(A)
£105 Hidgs 190(CP (£1) 103
pelson Talact Meter Co 5 pcCbb 19841999 £80 (29'1)
priser Inc Com (30.10) \$47 (27'1)
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protais Hidgs 9'-pcLn 1994-2000 £1650
portsmooth and \$1 and Newspra 10.5pc2ndPr
(£1) 122'1 (29'1)
Press Tools (10n) \$5 (29'1)
Press Tools (10n) \$5 (29'1)
Press Tools (10n) \$5 (29'1)
Pressac Hidgs 10.5pcPr (£1) 97 (24'1)

Q.R.—S

Ouesna Moat Houses 10/spcln 1989-91

Outck (H. and J.) Grp 10pcPf (£1) 1011-1

Outck (H. and J.) Grp 10pcPf (£1) 101-1

Radio Rentals (Holoss) 6-12pc1 190-0

Radio Rentals (Holoss) 6-12pc1 190-0

Radio Rentals (Holoss) 6-12pc1 190-0

East (27:1) 6-12pc1 (£1) 511-1

East (1997-1002 E27-1 8 k. p.)

Danced 11997-1002 E27-1 8 k. p.)

Danced Captril 1983-88 £851-1 (£41).

Typcln 1983-88 £851-1 (£41).

Redicut Intuit 8hacln 1988-95 £85-1 (£41).

Redicut Intuit 8hacln 1988-95 £85-1 (£21).

Red (Lastib) Grp New (50) 338 k. 9

Red Intuit 4|pcPf (£1) 37-1 (£2).

Red (Lastib) Grp 215. Eactf (£1) 81-1

Typcln 1987-92 £88-1 (£1) 51-1

Red (Lastib) Grp 215. Eactf (£1) 81-1

Typcln 1987-92 £88-1 (£1) 51-1

Red (Lastib) Grp 215. Eactf (£1) 81-1

Typcln 1987-92 £88-1 (£1) 51-1

Red (Lastib) Grp 215. Eactf (£1) 81-1

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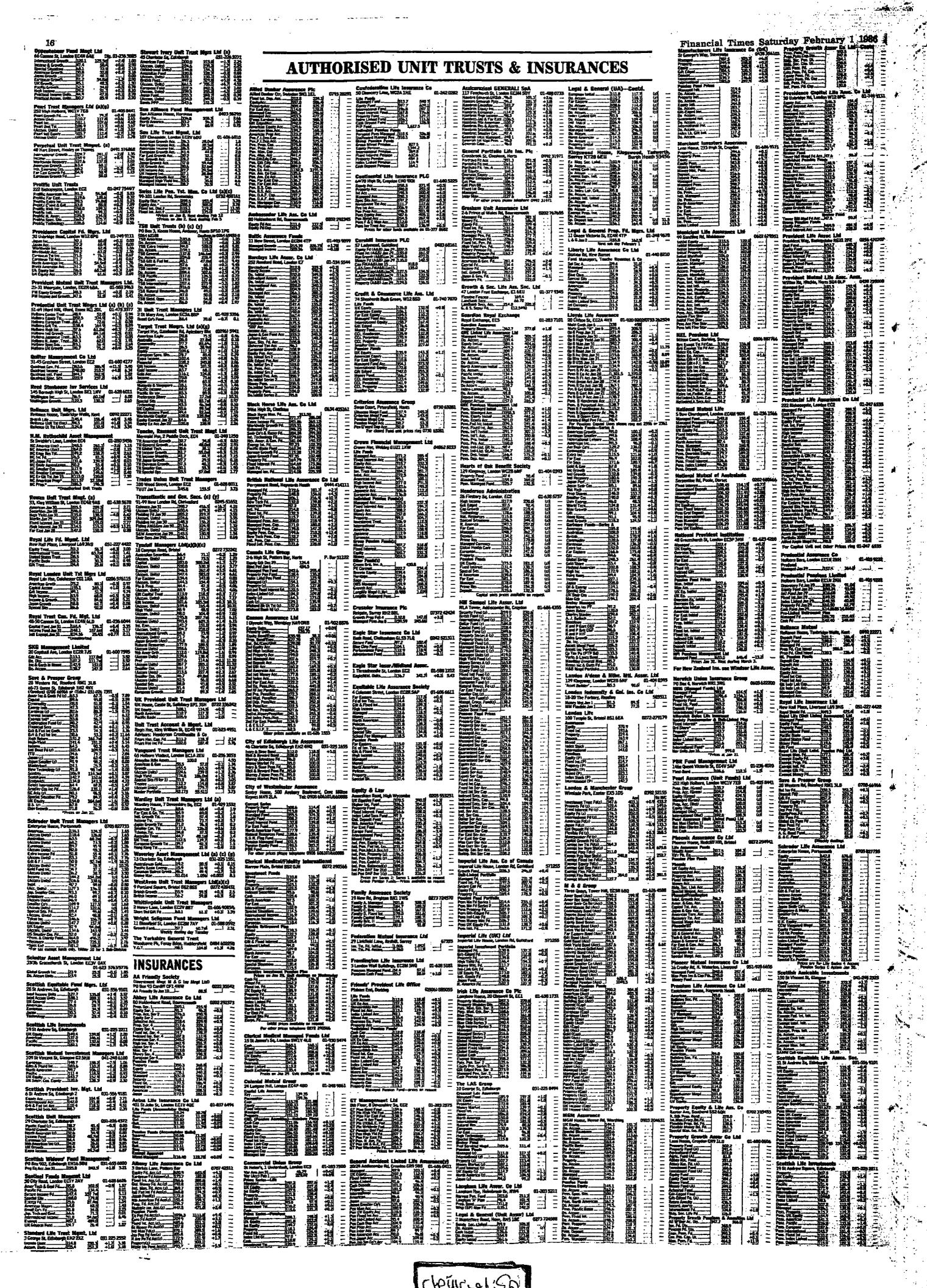
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FINANCIAL TRUSTS

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·	Brown Shipley & Co Ltd (a)(g) Gartmore Fand Hanagers	s (a) (c) (a) Legal & General (Unit Tst., A	ingrs.) Ltd 0277 234634
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J. Junio Ex Jian 22 24.1 255.4 UK Ex Dec 51 177.2 180.5 Personal UK Dec 15 161.2 189.4 Personal UK Dec 15 161.2 189.4 Big Japan (2) 117.5 125.0 Big Japan (2) 161.2 169.4	0.54 4 Metrific Crestent, Editionary 0.51-225-3972 Inc. & Assets 72.9 1.49 EFM American Functs 1.53 4.75 4.02 2.17 Magh Income Functs 111.5 1.55 1	99.9 +0.9 436 (Accer. Lines) 310.7 119.3 +1.1 267 Cherd, ed Lin 25 317.7 39 120.8 +0.5 3.6.1 249.3 +1.0 3.6.1 156.8 +1.0 5.24 MGM Unit Managers Ltd 156.4 +1.4 5.36 REGU House, Heene Rd. Warthurs	12.65 2.7 4.98 01.623.8231
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15 St. James' Piace, London SWJA JAW (1870) Prop. Int. 21. 1870.7 931.1 4 ca. Liera, Sm. 21. 1272.8 1271.8 Pragate int. Int. 23. 1272.8 1271.8 Pragate int. Int. 23. 1272.8 1271.8 Pragate int. Int. 23. 1272.8 1272.8 Accom. Int. 25. 1272.8 1272.8 1272.8 Int. 27. 1272.8	205 Professi Group 201 213 214 215		01-623-6273 -04-218 -04-218 9-01-015
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• Highs and Luws marked thus have been adjusted to allow for rights bases for cash.

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• Interim since increased or resumed.

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• In the profit of the subject of the same degree of regulation as fisted securities.

• Price at time of suscension.

• Price at time of suscension.

• Indicated divident after previous surju and/or rights issue: cover relates to previous divident or larreast.

• Lienger had or relongants also in progress.

• Not comparable.

• Same interior reduced final and/or reduced earnings indicated. | 1.6 | Str. Promotion Laboratory | 1.6 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | **PLANTATIONS** indicated dividend after products corp and/or rights issue: cover relates to produces sholdend or forecast.

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• Element has no reorganisation in progress.

• Not comparable.

• Same interior: reduced froat antifor reduced earnings indicated.

• Forecast dividend; cover on carnings updated by laterst interior statement.

• Cover allows for connection of stores on towarding for dividends or ranking only for restricted dividend.

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Alkany Inv 2Dp 102 | 102 | | 102 | | 102 | | 103 | 104 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 230 56 56 50 25 49 | Far West "Recent Issues" and "Rights" Page 14 This service is available to every Company dealt is on Stack Exchanges throughout the United Kingdom for a fee of \$875 per amount for each security.

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FINANCIAL TIMES

Saturday February 1 1986



Large sections of shuttle debris recovered

By Paul Tarfor in Mex. York

TEAMS searching for remnants of the US space shuttle which exploded on Tuesday brought ashore large sections yesterday believed to have come from the craft's fuselage, cockpit and wings.

The pieces were taken to the Cape Canaveral Kennedy Space Centre in Florida. Mr Chuck Centre in Florida. Ar Chuck Hollinshead, of the National Aeronautical and Space Administration said: "We were surprised at what good shape they were in."

He was referring to five large charred pieces of debris landed by a Coastguard cutter.

Some were 20 feet long and

Some were 20 feet long and had been scooped from the ocean bed on the northern edge of an expanded 8,000 sq mile

A search force of 13 ships, nine helicopters and four other aircraft has already recovered several thousand pounds of

They include some cone-shaped objects, possibly from the solid-fuel booster rockets, and the charred remains of a control panel believed to have come from the \$1bn (£700m). 100-ton Challenger, which blew up 72 seconds after take-off.

All seven crew members were believed to have been killed instantly, but the size of the

objects recovered raised the possibility that the pressurised module in which they rode might have survived the explosion and ended intact at the bottom of the Atlantic.

Sonar detected an extremely large metal object on the ocean companies which make up floor 140 ft below the area in Panavia, the consortium which which the fuselage parts were discovered, and divers began preparing to look at it.

Aware of the possibility that human remains might be found, Nass said: "No comment will be Turkish airforce."

A ware of the possibility that human remains might be found, Nass said: "No comment will be Turkish airforce."

Turkish airforce.

made by Nasa officials today on | Turkish airforce, anything concerning personal effects and human remains, out of respect for the astronauts'

The location of the latest finds. up to 50 miles off the Florida coast, opposite Daytona Beach, Aeritalia, are understood to suggest that floating debris may he being carried north by the have scheduled meetings with senior Turkish military officials wind and the Gulf Stream, causing Nasa to widen the and Mr Turgut Ozal, the Prime search zone

Saparately, Nasa confirmed that a bone and tissue fragment, enclosed in blue material, had been found on a beach 30 miles south of the launch site. The officials do not know whether the fragment is related to the shuttle tragedy, but experts will study the material.

Continued from Page 1

Reagan

ings enables him to comfort

people.
Trying to put the disaster Trying to put the unsacta-into perspective, the Presi-dent compared "our Chal-lenger seven" to the early American pioneers: "Often they met with terrible hardship. Along the Oregon Trail you can still see the grave markers of those who fell on the way. But grief only steeled them to the journey

"Today, the frontier is space and the boundaries of human knowledge. Sometimes when we reach for the stars, we fall short but we must pick ourselves up again press on despite the

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WORLDWIDE WEATHER

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CHIEF PRICE CHANGES YESTERDAY

C—Cloudy, F—Fair, Fg—Fog. H—Hait, R—Rain, S—Sunny, Si—Slast, Sn—Snow, T—Thunder, † Noon GMT temperatures.

(Prices in pence unless otherwise indicated)

Westland board set back by Stock Exchange ruling

lau ched an inquiry this week into Westland share trading over the past fortnight, has ruled that Sikorsky cannot increase its shareholding beyond its present 9.9 per cent in order to garner votes necessary to secure a simple majority at a meeting on

February 12. The ruling falls within the Exchange's rules on Class Four transactions which state, in effect, that substantial shareholders (holding more than 10 per cent of a company) canot vote those shares in favour of a resolution in which they have a direct benefit.

The ruling has dismayed the Westland heard an its advisers

Westland board an its advisers, Lazard Brothers, which have been considering how to Conservative minister who counter the rival European chairs the committee, and disaerospace consortium's tender cussed possible solutions. They offer of 130p per share for 21 per cent of Westland's equity.

One option for Sikorsky/Fiat committee, Mr Keith Speed, a agree to go into private session would have been to mount its former minister, warned yester- for at least part of the hearing.

BY PETER BRUCE IN BONN

German, British and Italian

Mr Hanns-Arnt Vogels, chair-

managing director of

man of Messerschmitt-Bolkow-

Blohm, the West German aero-space group, Sir Raymond

British Aerospace, and Mr Renato Bonifacio, president of

The Turks are understood to

have expressed an interest in London.

THE EOARD of Westland, own tender offer. After yester day that if no solution was Strikin ailing heu-opter day's Stock Exchange ruling, reached, the committee would this now appears to have been put a motion before the culture out.

The Westland camp is particularly concerned since the European tender offer for 21 per cent, when coupled with several share stakes held by supporters of the consortium, can be used to garner votes to sink the Sikorsky/Fiat rescue. However, in a bizarre twist

characteristic of the whole Westland affair, it is far from clear whether the Europeans can use those votes in any future vote in favour of their own rival rescue plan. In the dispute over whether government officials should give

evidence to the all-party Commons defence committee investigating the affair, a compromise now seems possible. Yesterday Mr John Wakeham,

chairs the committee, and diswill hold more talks over the weekend. One Conservative on the

Turkey to negotiate on possible

order for 40 Tornado aircraft

about a year ago. Although successful negotiations to sell Tornadoes to Saudi Arabia last

year were almost entirely carried out by the British, it has

apparently been decided in

Turkey's case to bring in the other partners, notably West Germany, which has a long-standing political relationship with Ankara.

Next week's visit will be the

first made to Turkey by Panavia's consortium heads and

they will make a firm proposal

Joachim Klapperich, Panavia's flying. Further progress in the competitors to begin wooing the

They will be Ankara, and to its use as Nato's able as it is frequently snow-by Mr Hans- main training ground for low bound. Panavia expects other

on the terms of a deal. In re- the Turks for the low-flying site

turn for an aircraft order, and has offered its base at

negotiations is expected in mid-February when Mr Ozal visits likely that the French Mirage

reached, the committee would put a motion before the to attend.

the committee's request that Mr Charles Powell, the Prime Minister's principal private secretary, and Mr Bernard Ingham, her press secretary, should appear before it on Tues-

Contention is also lingering over the refusal to allow Mr ing from the main board of John Mogg, principal private Mercantile House, the British-John Mogg, principal private secretary at the Trade and Industry Department, and Miss Colette Bowe, the department's information director, to appear last week.

Downing Street has not replied to the request for Mr Powell and Mr Ingham, but was said to be hoping an accommodation could be reached. One suggestion was that Sir Government chief whip, met Sir Robert Armstrong. Cabinet Humphrey Atkins, the former Secretary, might attend instead Conservative minister who of the two officials. This would be unlikely to find much favour with most of the committee. Another possibility was for Mr Ingham and Mr Powell to

attend if the committee would

Apart from the potential

business for MBB, Bonn is par-

ticularly keen on the Konya

project to ease the problem of

low-flying aircraft in densely populated West Germany. A

more powerful political argu-

ment in Bonn, however, is that

the Konya project would create about 30,000 jobs in Turkey, many of which might be given

to Turkish guest-workers cur-

rently in West Germany and

whom Bonn wants to repatriate.

that Canada is competing with

One difficulty for Panavia is

Todhunter resigns as chief at **Alexanders Discount**

By Michael Cassell

MR MICHAEL TODHUNTER, chief executive of Alexanders Discount, one of the City's leading discount houses, last night resigned following a row over policy differences. He was appointed less than 18 months

Mr Todhunter is also resign based. international financial services group. He joined the group in 1984 through the purchase of Jessel Toynbee Gillett the London discount house, of which he was deputy chairman. Shortly afterwards, Mercantile also bought Alexanders and Mr Todhunter became chief executive of the combined dis-

His unexpected departure will be seen as a severe blow to Mercantile, which has been trying to build an integrated financial group from a variety of separately acquired interests. The resignation also follows the management buy-out in December last year of Oppenheimer, Mercantile's US securi-

ties subsidiary which it acquired for \$162m (£115m) in late 1982. Mr Todhunter will remain as a non-executive director of Alexanders Discount but is also resigning from the boards of Alexanders Laing & Cruickshank Holdings, Mercantile's investment bank subsidiary, and Alexanders Laing & Cruickshands Alexanders Laing & Cruickshands Alexanders of Alexanders Laing & Cruick-shank Ltd, its gilt-edged primary

dealing operation. Neither side would comment on the resignation but it is understood that it centres on major differences on the development of Alexanders Laing & Cruickshank Ltd, the primary dealing business.

Earlier this week, Mercantile reported a reverse in the recent decline in profits, with pre-tax profits rising by 19 per cent in the six months to the end of October 1985.

Following Mr Todhunter's departure, Mr Robin Moser becomes chief executive of Alexanders Discount and joins the board of Alexanders Laing Turkey is hoping that Nato will Goose Bay, Newfoundland, as and Cruickshank Holdings. Mr. agree to a DM 2bn expansion an alternative. Goose Bay's Jeremy Hardie becomes chairdespite crystallising capital
of its Konya airbase, south of detractors claim it is not suitman of Alexanders Laing and gains liabilities that are less Cruickshank.

Continued from Page 1

Botha

US cents in quiet trading. Prices on the stock exchange eased slightly on the lower gold price from previous record highs. In substance, the speech con tained little that had not been announced in a series of speeches over the last six months. The legislative proposals include a restoration of South African citizenship to the citizens of "independent home-lands;" greater powers for the homeland governments; the involvement of black communities in shared decision-making with whites in second-tier government through the soono-be-formed regional services black freehold property rights; a uniform identity document for

ing of "unnecessary restric-tions" on black enterprise and a new commitment to equality before the law and access to the courts-possibly a commitment to end detention without trial. The most significant development was the promise to give blacks "access to power at the highest level" through the new "national statutory council."
This will replace the "non-statutory forum" aborted by

all population groups; the lift

black opposition. The council will consist of representatives of the South African Government and the six non-independent homelands, as well as leaders of other black and

jointly to be agreed upon for our multi-cultural society." Mr Botha made no reference to the debt crisis or the expec-

of emergency.
Mr Botha promised legislation "to remove existing influx control measures" and replacement of the discriminatory pass system by "a uniform identity document for all population

Peter Montagnon writes: Prorosals for a short-term Africa's debt are expected to hy Dr Fritz Leutwiler, the Swiss

THE LEX COLUMN

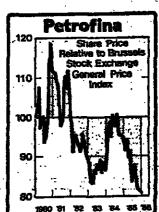
King of the Belgians

The equity market has become curiously selective in its Index rose 4.6 to 1161.0 choice of the facts to build on; gloomy macro-economic foreasts, worsening unemployment numbers, sustained high interest rates and the constant political corrosion of the Westland affair might scarcely exist. Perhaps it is just that the market has recovered its confidence with the slight bounce in oil prices, and written-off the possibility of another defensive rise in base rates. At all events, the All Share has recovered to within I per cent of its previous peak, while that compendium of take-over-stocks, the FT Ordinary. has been setting successive new

North Sea

The offer by Petrofina for Charterhouse Petroleum offers UK institutions a rare - not to say once in a lifetime—oppor-tunity to quit the UK oil exploration sector for the Belgian stock market, which performed exactly twice as well for sterling investors as its London counterpart last year. The share and cash offers, which close next Friday afternoon, are generous in the extreme: the cash offer is a pound a share (against a pre-bid Charterhouse price of 66p) while the appreciation of the Belgian franc, which is not a petro-currency, has left the equity premium more or less intact at 56 per cent despite the fall in Petrofina's share Meanwhile Charterbouse's directors have been roundly recommending accept-ance of one or other offer, as if their shareholders had not been pleading to escape all along

Petrofina is keen to take on the 7 per cent UK shareholding . that would follow full acceptvowed it will seek a London listing; but last year's experience suggests that the institutions will be trampling on one another to get the cash. In turning down Enterprise paper for their Saxon shareholdings their very unwillingness to pro-



oil companies, with dividend growth in double figures since 1980 and a thirst for capital expenditure and debt repayment which would scandalise a Belgian Pickens. Yesterday's results for 1985 showed a 10 per cent increase in net income and an equivalent dividend increase, while the prospect of excellent downstream profitability this year may make up for some of the income deferred by injecting gas into a sub-siding Ekofisk. None the less, a dividend yield of under 8 per cent scarcely compares with while oil fund managers will be across the corridor.

Still. Charterhouse has done its shareholders well in providing a choice; especially when ance of the share offer and has compared with the Berkeley rights issue which closes at exactly the same moment. What Berkeley thinks its doing for its owners in issuing so much equity to buy production valued at \$25 a barrel is quite obscure.

Extel/Demerger

right by Enterprise's later something that the market has stocks—totalling nearly £90m, underperformance. Indeed, it is been toying with for some time. It is questionable whether the been toying with for some time approximately since vide capital that has sent the Egyptian financier Dr Ashraf independent sector to the ends. Marwan disclosed a 5 per cent, to pay down this debt over its of the earth: literally, in the interest in the company last implied three-year life. To case of Clyde and Moonie Oil June and then proceeded to realise their tax-free demerger June and then proceeded to realise their tax-free demerger accumulate an "investment" gains, shareholders might first of Australia.

accumulate an "investment" gains, shareholders might first
Of course, Petrofina is not stake which was last reported have to pay off their newlyEnterprise, but one of the at just under 11 per cent. When created debt to themselves. world's mini-major integrated an offer finally materialised, off Rum.

Sloane Square yesterday morning, it was not exactly the sort of thing that speculative followers of Extel would have been looking for.
What shareholders in Extel

have in front of them is a proposal to reconstruct the company as a preliminary to Fleet-style demergers of its nonnews businesses—advertising, printing, publishing and computer systems. The idea is that shareholders should turn in their highly rated shares in the group—which at 395p now stand at 23 times historic carnings-in exchange for a cocktail of paper issued by a newly formed vehicle, the descriptively named Demerger Cor-

The attraction of this pack-age—apart from the avoidance of capital gains liability—is supposed to be that the more highly focused businesses resulting from the demerger would be accorded enhanced valuations by the market; and since the relatively marginal computer business was unprofit able last year. Exters other parts might indeed gain something by disassociation. It is also claimed that the parts would be better managed by demerger than the whole has been by Extel, while the existing shareholders would still own it, more or less.

Whatever the merits of that notion, the proposal seems to Enterprise let alone a building have a number of disadvantages, society; gross funds are cut If the complex reconstruction If the complex reconstruction out by Belgian withholding tax; scheme can actually be made to work, its first effect will be to unwilling to pick up Petrofina give the founders of Demerger stock—effectively the Belgian a free 15 per cent stake in the stock market—which properly more attractive half of Extel, belongs with the Monory boys its information business. Thereafter, shareholders will find that their interest in the remaining four businesses has been tied up by a golden share arrangement, pending reflotation; the only tangible instrument relating to a notional holding in say Burrup, the printer, would be a loan stock of uncertain marketability.

If Demerger were to reach the point of spinning off the demerged businesses, it would then have to solve the problem operating cash flow of these companies would be sufficient

Clark named as trade minister

accompanied by

managing director.

MRS MARGARET THATCHER Brittan had resigned over the surprised her colleagues last westland affair.

The job of Under-Secretary minister Mr Alan Clark, who has had a controversial career as Lang, the MP for Galloway and Linder Secretary of Fernal William Secretary and The MP for Galloway and Linder Secretary and The MP for Galloway and Diplomacy has not been one of his cream as in the secretary and the secretary and the many and the secretary has not been one of his cream as in the secretary and the secretary has not been one of his cream as in the secretary as in the secretary and the secretary has not been one of his cream as in the secretary as in the secretary as in the secretary has not been one of his cream as in the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the authorisation of soft loans to belong the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary has not been one of his cream and the secretary ha Under-Secretary of Employment since 1983.

Mr Clark, a Tory individualist on the right wing of the party, has frequently been in trouble for outspoken comments. He is on record as strongly favouring protectionist measures to assist British industry, and is also regarded as being rather anti-

This will not help him in his and Trade.

new role, where he will conduct Mr Clark series of crucial negotiations

Hambros 217 + 17 Hambro Trust 247 + 29

Henderson Group... 250 + S Illingworth Morris 100 + 6

Ward Hldgs 276 + 18

FALLS

UK today: Cloudy with rain, drizzle or sleet. Dry with bright intervals in N Scotland. Cold and windy.

Illingworth Morris 100

THE LEADERS of the West the Tornado to the British

Common Market.

aimed to lower barriers to in-ternational trade.

under Mr Paul Channou, who took over as Trade and Indus-try Secretary after Mr Leon

for Employment goes to Mr Ian Lang, the MP for Galloway and Upper Nithsdale, a government The appointments complete the changes that arose through the resignation.

Mr Clark will handle delicate negotiations over renewal of the Multi-Fibre Arrangement and take part in the forthcoming round of discussions on the General Agreement on Tariffs

Mr Clark, who is 57, will also lead the British government negotiators seeking reduction of barriers to trade within the Mr Clark will be working EEC, particularly over services. Also, he will have ministerial responsibility for the Export Credits Guarantee scheme, the

2000 would be a serious rival

of his strong points. He was involved in controversy recently after he had made a private remark about immigrants going back to "Bongo Bongo land." A few years ago, the minister wrote a long article calling for the imposition of protective tariffs to help British industry. He claimed that spectacular results could be obtained

through modest restrictions on At the Employment Department, Mr Lang, 45, will probably have responsibility for the Unemployment Benefits Service, job centres, special employment measures and statistics.

Profile, Page 4 Spain to hold referendum on membership of Nato

BY TOM BURNS IN MADRID

SPAIN'S Socialist government Minister. is to hold a referendum on March 12 over its policy of keeping the nation in the Atlantic alliance. With Spanish society apparently deeply split over Nato.

yesterday's announcement set the stage for the most contro-versial political debate in the country since democracy was restored a decade ago, after the death of General Franco. Mr Alfonso Guerra, the deputy Prime Minister, said the question which would be put to the nation would be: "Do you consider it advisable for Spain to remain within the Atlantic alliance under the terms agreed

by the Government of the nation?" The all-important wording and a key preamble which sets swing lukewarm opinion over Nato in Spain behind what has in effect been a government volte-face over alliance member-

The socialist party, which was the opposition when Spain joined Nato in 1982, strongly opposed entry and promised in its manifesto when general elec-tions were held later that year to hold a referendum on the

The "terms" which form what Mr Guerra called a '"comprehensive and coherent peace and security policy" are Spain's non-membership of Nato's in-tegrated command structure, a

ban on nuclear weapons and a progressive reduction of the US military presence in Spain. These were the main features of a defence package the Prime Minister announced more than a year ago when, for the first time, he publicly disclosed that he had changed his mind, and

now favoured Nato membership, but intended to keep his promise to put the issue to a plebiscite. The package is designed to weaken the anti-Nato platform. The wording of the referendum question is itself an explicit rejection of the anti-alliance lobby's demand that Spaniards be simply asked "do you want

Mr Guerra also served notic that the Government would be "politically and morally bound" by the plebiscite and would act in accordance with its result. Polls in recent weeks have shown there is a clear majority against the alliance when the question is framed in straight issue. The pledge played an yes or no terms, but the margin important part in sweeping the is considerably reduced when Socialists into power with Mr the question is on the lines

Spain to remain in Nato?"

communities groups. The council would be advisory and is conceived as a temporary expedient "pending the creation of constitutional structures

tations of foreign bankers and only hinted at a possible future relaxation in the partial state

the Angen. anguer to questions, a spokesman said the former Swiss central banker regarded the speech as positive and a justification of the relative optimism

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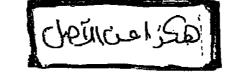
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Saturday February 1 1986

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Hard times Hollywood

Nigel Andrews explains how show business has become a slow business in America's movie heartland

IN THE cinema, one country's annus mirabilis can be another country's year of crisis. While we in Britain have been basking in rising attendances, busy studios and the browhaha of British Film Year, a startlingly different tale has year, a startingly different tale has been unfolding across the Atlantic. America had one of its worst ever years at the box office in 1985, with attendances down by 8 per cent from the already perilous doldrums of 1984. And att would have been even worse but for a brief cinemagoing bonanza in December, led by the indomitable Rocky IV.

i led by the indomitable Rocky IV.
i In addition, video-recorder sales in the US are rising sharply, threatening to kidnap fresh millions of filmgoers from the cinemas. Over 50 per cent more VCRs were sold in 1985 than in 1984, And when I visited America recently. movie production at the major studios was down from 131 films to 99.

"99." of course, is the number a patient is sometimes asked to say by his doctor, and an ailing US film industry is going through all the medical tests it can get at present. On a whirlwind visit to Los Angeles, I talked to nine top people in Hollywood to discover what the disease is, if it is likely to spread and whether there is a cure in

On one thing nearly all agreed: the current reign of the business couglo-merates, who own all the major studios and pick the men to run them, is turning Hollywood from a prolific and intuitive dream factory into a branch — and an increasingly unsuccessful one—of product marketing. Film-maker Arthur Penn, of Bonnie And Clyde, Little Big Man and (most recently) Target, puts

"You have these young men from excellent business schools - Yale, Harvard-put in charge of the studios. And they make these exquisite studies of audiences by income, social status will have the broadest appeal. What they forget, or ignore, is that it takes at least a year for a film to come out, by which time that fickle matter of public taste may have changed. More importantly, how do you introduce the new? It's like asking the public about a painting-that's broken up- or divided into cubes, before anyone has painted it. There is no mechanism for factoring in the anomaly that creates tomorrow's

The director Martin Scorsese (Taxi Driver, Raging Bull) has come up against exactly this attitude.

"It's not that Hollywood's bad, it's nothing like that," says Scorsese. "It's that there are too many pressures on the film-maker that have nothing to do with nim-maker that have nothing to do with cinema. When you have a picture like the Lost Temptation with a challenging subject that may—may—upset a large number of people, you don't go to a company like Paramount, which is owned by Gulf & Western, or you don't go to Columbia which is owned by Coca-Cola. These are major conslowerates: why These are major conglomerates; why should they look for trouble? The movie companies are a tiny part of what they

The prevailing tone in Hollywood is pessimistic but resigned, as if the marketing mentality is a Moloch which cannot be overthrown in the foreseeable future and might as well be lived with. But some film-makers are fighting mad. Robert Altman, of Nashville, now bases himself in Europe and curses the

Babylon from afar.

"It's very hard to find anyone with any decency in the business." Altman complained. "They all hide behind the corporate structure. They're like land-lords who kick people out of tenement buildings. There's no compassion, and there's certainly no interest in the arts. Someone's got to come in with a long-time vision of the cinema and its future. These people today don't even murture the classics. They're in power such a short time, everything is on the single roll of the dice. What happens five years ahead doesn't matter a damn thing to them."

Altman touches here on the paradox of modern Hollywood. The marketing supremos are supposed to ensure a foolto buy. Yet as the quantity of products dwindles year by year, each film becomes more of a gamble, "When I first started in Hollywood." says composer Henry Mancini, whose career has spanned postwar cinema from Welles's Touch of Eril to the Salkinds' Santa Claus, "a studio like Universal would turn out 50 films a year. Now it is down to



nine or 10. So each new film becomes a bigger shake of the dice. There is no such thing any more as a steady

run of staple product."

The combination of a high-risk economic climate with attempts by the marketing experts to build safeguards into the final product means, says Mancini, that "it is much more complex today to get a deal going. In the old days there was one guy running each Hollywood studio, and if you fired his interest you got the movie. Today you go to a hods who each have one eye on the

balance sheet." There are a few old-style studio chiefs around today, however. Alan Ladd was born into the business (son and namesake of the star of Shane), rose to head Twentieth Century Fox during its blockbusting 1970s heydey (Star Wars and co), left to create his own independent

Ladd Company, which foundered on ambitious but commercially ill-fated projects like Gutland and The Right Stuff, and is now back to running a Hollywood major, MGM/UA. Ladd does not believe that Hollywood has changed significantly since its golden age.

"Since this business has been going on," he told me, "it has been the same mixture of playing safe and gambling. You make programme movies except for the big one or two 'breakout' films each year which you hope will go all

"There is a place for marketing and audience research, for looking at what is successful. But you can never programme for the surprise winner. That has to be your hunch, and that is where the big money often lies. But Hollywood needs both. It needs the 'safe' small-budget picture and the unpredictable blockbuster."

One of the vanished safeguards in Hollywood today is the star system. No star today can guarantee a good return at the box office as Garbo and Gable or Bette Davis used to do. Clint East-wood (Bronco Bills), Richard Gere (King David), Eddie Murphy (Best David), Eddie Murphy (Best Defence), Diane Keaton (Mrs Soffel) can all go down with sinking ships. Slightly more dependable today, as guarantees of a return on your investment, are the film-makers. As Ladd points out, one reason for the failure of his Ladd Company was that he could not ask directors who had worked for him at Fox, like George Lucas and Mel. Brooks, "to just take their pictures across the street and come and work for the Ladd Company." None the less, the independent com-

panies are increasingly competitive with the majors and loom large as an alter-native option for the film-maker. Compared to the major studios' falling output, that of the independents is rising. By the end of November 1985 they had made 225 films in the year as against 171 in the same period in 1984. Compare the majors' plunge from 131 to 99. Some independents, like Tri-Star and

Orion, have established themselves almost as mini-majors. Others like Cannon Films, run by high-profile Israeli moguls Menachem Golan and Yoram Globus who almost bought up Thorn-EMI in December, give the impression more of flying by the seat of their pants. One of their unhappy recent passengers has been Robert Altman, who has just completed Fool For Love for them. Over a long-distance call he complained to me of delayed payments and contractual let-downs.

"They are the worst people I have ever been involved with. Until things are put right I am not going to do anything to promote their film, and if I had control of it now I would burn it,"

But Russian emigré director Andrei Konchalovsky, whose new film Runaway Troin, starring Jon Voight and based on a script by Kurosawa, was made for Cannon, says, "I have the greatest respect for Altman, but quite frankly it is a miracle that any company gave him the budget to make a film like that, which is not in any way commercial. It is a shame that two Israelis cial. It is a shame that two Israelis must come to Hollywood to support American culture. But who else would back this sort of picture? It is only the independent companies in Holly-wood today who have any spirit of adventure."

But even the independents may be frightened into caution by the increasingly grim economic climate in the film industry. The scare stories afflicting Britain in recent years, of the video boom devastating cinema audiences, are now hitting America. On my first day there the New York Times carried a feature headlined Rise in Cassette Rentals Worries Film Industry. The article estimated that Americans will have rented some 670m movies on video by the end of 1985, compared with 390m in 1984. (In 1980 it was 20m.) \$2.7bn will have been spent on videocassette rentals, equal to 75 per cent of the year's estimated box office returns.

Arthur Penn thinks this trend has after a mere two or three months of cinema life, a picture goes into video. Can you imagine a car being marked down after only three months? Artists should intervene in the financial area; they should insist on a longer window for their films in the movie theatre. It's the only way this industry will survive."

The director Michael Cimino thinks the problem lies not with the lure of the small screen but with the increasingly repellent aspect of most big-screen "Who wants to go out on a venues. "Who wants to go out on a rainy night to a cramped seat in a square box in a deserted shopping

However, even Cimino agrees that "you can't replace the theatrical experience. A charge comes off the audience which enhances the whole feeling of watching a big-screen film. If America wants to bring those audiences back, why don't they look at what is happening in Europe? In Oslo the Government is buying up great old buildings in the city centre and turning them into luxury city centre and turning them into luxury multiplexes, and the crowds are coming back. The same thing has happened in Ghent, were a private family has spent \$6m on building a new multiplex, and attendances in the town have gone up 30 per cent."

But until such miracles hit America, the fear among film-makers is that the market dominance of video and cable will start to dictate the on-screen aesthetics of movie-making. Dean Cundey, one of Hollywood's top cinematographers after Romancing the Stone and Back to the Future, spoke to me amid the smoke and swirl of a sound-stage Chinatown at Twentieth Century Fox, where he is filming John Carpenter's fantasy thriller Big Trouble in Little China in Little China.

"The colours, the resolution, the textures, even the shape of the frame are different when a picture made for the big screen goes on to the small. Bob Zemeckis took the decision, after directing Romancing the Stone in a wide-screen format and then seeing what happened to it on video, to make Back to the Future in a narrower ratio: 1.85 rather than 2.33. So that instead of losing nearly half the frame on TV, you lose about a quarter. That's the first time I've known the look of a big-screen film be consciously influenced by its small-screen future, and in a way I suppose you might say diminished. But that's the way Hollywood may have to be going."

One dedicated non-convert to the small-screen revolution, however, is Warren Franklin. He is vice-president and general manager of George Lucas's Industrial Light and Magic (ILM), the biggest special effects factory in the world, which created the spaceships, pyrotechnics and galactic vistas for films like Star Wars and E.T.

Franklin, like Cimino, thinks that the way to combat video is to have better conditions at the movie houses: not just comfort but technical excellence. We have an alignment programme at ILM. whereby we send our people round to cinemas to ensure the best possible sound, the best projection for our movies. After all, who wants bad pre-sentation as well as sticky, gooey floors?" Perhaps we should all just sit tight,

hold on to our hats and wait for the revolution. Artistic crises in history almost always have a way of sorting themselves out. As Robert Altman said: "Sometimes you have to hit rock bottom before a little green plant can come up." But before it does, one suspects there are going to be some mighty shake-ups on the sea bed and more than a few giant vessels, hitherto deemed as unsiniable as the Titanic, going down with all

Maybe Hollywood should take a lead from Wardour Street-rare happening -and sign on for 12 months of confidence-boosting propaganda, reform and ballyhoo. Anyone for American Film

The Long View

Why the house price boom is so odd

"BUY LAND," Mark Twain is reported to have advised, "They ain't making it any more." This slogan has always appealed strongly to British investors, Institutions have built up hig holdings of commercial property and farm land, while private individuals have made owner-occupation by far the most important form of personal investment. The recent runaway boom in

house prices in the south-east of England, which in the right spots has far outpaced even the equity market, has only confirmed this prejudice: indeed. I have seen more than one article recently advising a switch out of equities into a

If we were not such an insular lot, we might inspect such advice more suspiciously. The institutions are already regretting their commitment to farm land, where prices have been falling steadily; and the gran-diose plans of Mr G. Ware Travelstead — an actual man, although he sounds like a corporation — to build a financial city in London's dockland has put_a big question mark over office property. High street shops and most kinds of industrial property are already depressed markets in various

House prices, on the other hand, continue to rise as if in response to some law of nature. But those aware of events in Germany (where a slow fall in house prices has now turned into something near a financial disaster) or the West (Coast of the US (where the disaster is severe and helps to explain the problems of our own Midland Bank) also know only too well that what went up can come down - and that there is something odd about the British boom. The oddity is simply this:

the normal laws of investment suggest that when real interest

The normal laws of investment are being overridden, says Anthony Harris. who cautions that if the boom does falter it is likely to go into a sharp, and painful, reverse.

whether houses, old masters or reproduced a table from the US giant market. All this suggests that the British experience, so far from being normal, requires some strong explanations. These are really very easy to



rates are high and there is find once you start looking. Over therefore a high real return on the long run, house prices are financial investment, then inves- very strongly correlated with tors switch out of real assets— personal incomes (just as farm

this country than in any other low-inflation competitor as the

land prices are strongly correbars of gold-into financial lated with farm incomes, which assets. A few weks ago, I explains the present slump). The speed of response is further showing how dramatically this affected by availability as well pattern has shown up in that as the cost of credit. Personal incomes have been growing much more rapidly in

New York

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overseas; and in the financial thing of a national scandal.

years ago in the US and has the drop in the price of oil barely even begun in Germany. Will not itself make any huge The deregulation tends to accedifference. It removes one lerate the demand for credit-potential bull point—the possi-financed purchases—cars and bility of substantial tax cuts durables as well as houses— but it should mildly stimulate while it is in progress. Then, a new equilibrium sets in.

If these were the only influ
Cular. However, it will hamper ences we might forecast that the British house price boom still had some way to go, since the back the support it has lost. The rise in incomes still has a smart money is increasingly that will probably be less excit-ing from now on). This caution for the house market. The un-

would apply especially to the important effect would be to London region, where even kill the recently announced pay freeze may set in.

fundamentals; they have a They would be too unpopular cycle of their own, which is with too many people. what can make stock market investment such a source of

nervous excitement. prices do not simply reflect the merits of a property tax as a wealth and borrowing power of source of revenue and sugges buyers but their expectations of it would work still better if it capital profit. If they are con-were based on capital values; more of their income to a mort- away further at mortgage tax gage (or accept a lower divi- relief. dend return on a share) than if they are uncertain or, worse still, pessimistic. So, if the boom does falter, it is not likely myself for some sharp discipally to first out but to see a precipilate for some sharp discipally to first out but to see a precipilate for some sharp discipally to first out but to see a precipilate for some sharp discipally to first out but to see a precipilate for some sharp discipally to first out to the same share the simply to fizzle out but to go appointments.

international pundit, never tires into sharp reverse, as in Gerof reminding us. Industrial many. And, as in California, earnings rise by 7 per cent or the bigger the speculative fever, so annually. Management earn the bigger the setback.

ings have been rising a good

This column should probably deal faster as British pay levels be read as a distant early warnbegin to catch up with those ing rather than an alarm signal (although London readers sitworld, of course, pay has ting on particularly fat capital reached levels that are some-profits may begin to muse about ning of a national scandal. the attractions of a contrarian Meanwhile, money has never move to some of the more been easier to borrow. This is awkward commuting country, the result of the wave of where values look quite sub-financial deregulation that is dued). However, oil and politics half complete in this country could affect housing as well as but which was completed some other investments.

cular. However, it will hamper the Government in devising the mentum of its own (although backing a hung parliament.

those in the City now think the plans to allow local rates to boom in rewards has been badly wither away—unimportant, be-overdone and something like a cause senior Ministers are already betting that these pro-However, capital markets do posals will do the withering not just respond to the economic away, rather than the rates. The real threat is that a future

coalition would read the studies the Treasury has already pre-The reason, of course, is that pared, which strongly urge the fident of profit, they will commit and that it would start chipping

in a pension plan make sure it's best on the mar

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-- "Amount Invested- (Allowing for tax relief at 20%) If you're self-employed or the director of a

private company, you'll know all about the tax advantages of investing in a pension plan. Your biggest problem will be selecting the best from the rest.

Obviously, the most important factor will be the size of your pension fund when you retire. .All too often, this decision is taken as a result of comparing projected growth figures, whereas the only realistic basis for comparison is achieved

The table above compares the actual results of an investment in the Target Personal Pension Plan - linked to the Target Managed Pension Fund with three leading with profits policies and two other unit linked plans invested in managed funds. What it doesn't show, however, is that the

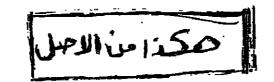
Target plan has out-performed all other personal pension plans over the last ten years. What's more, only the Target plan provides you with a guaranteed loanback facility enabling you to draw on your investment whenever you like,

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ours, we think you'll want to invest more rather than less. To find out more, fill out and return the Freepost coupon below.

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Price Value

MARKETS

HIGHLIGHTS OF THE WEEK

All things considered, the City is a stable place

WHATEVER the shortcomings creased number of Dawson compared with £132m. revealed by the Westland saga shares and the implied price. The question the relationship is the compared with £132m. in some quarters of the Government, at least the authorities price fell to a little over 200p can make a substantial recovery have been proved right in re—a drop of about 10 per cent in 1936-87. There are reasons sisting a sharp rise in base on the announcement—where it for optimism. For a start rates. Conditions in both the is supported by an underwriting expenditure on Vodafonc is an money and foreign exchange price of 203p for the cash understandable drain and once rates. Conditions in both the is supported by an underwriting money and foreign exchange price of 203p for the cash markets have cooled despite the alternative. continuing unsettling influence of a weak oil price.

The equity market meantime has been in positively robust health throughout the week. Regardless of all the negative features of the month—a base rate increase, a sharp fall in the oil price, a minor sterling crisis and a major political storm—the All-Share Index has risen by around 2 per cent.

Having managed to overcome all these obstacles with flying colours it is hard to imagine that the Opec meeting next week will reverse the market's desire to maintain the bullish mood. The City seems a far more stable place than it did a week ago and prices look set to drift higher rather than lower -which is good news for the Wellcome underwriters.

Not many weeks go by without a major bid being launched from some corner of the corporate sector and the past week has been no exception. Monday morning saw the almost ritual announcement of two leading names hitting the takeover headlines. Dawson International has agreed a takeover of the larger Coats Patons to create a textile group with a market capitalisation approaching £1bn.

In many respects the Dawson/ Coats announcement is typical of the current takeover wave sweeping through the London market. Dawson, considered to be one of the better run UK textile groups, is taking advantage of its relatively highly rated paper to acquire a much larger industry colleague that had developed a rather sleepy image

in the City.
Possibly Coats' directors may have been prompted by the persistent rumours of a hostile takeover, but whatever their reasoning they have achieved an excellent deal for their shareholders. Dawson is offering 111 of its own shares for every 100

The simple arithmetic is that Dawson will be contributing about one third of the enlarged group's earnings and therefore its shareholders should receive one-third of the enlarged capital. That may seem fair if the two were simply dividing up sweets but Dawson's earnings are much more highly regarded in the

City than Coats a capitalisation of £440m before from the data communications break the group up and the news of firm bid talks, while might rise to £45m. But with a parts may well be worth more market worth around £330m. Put the two cations and security the year together and divide by the in- might still make £95m pre-tax

should be around 170p. Dawson's

be asking themselves at what price their shares will stand assuming the deal goes through.

There is no immediate logic in cycle—which lags beh awarding a premium price—as Dawson's current market price

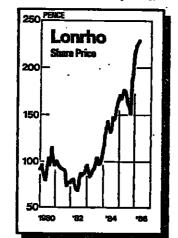
London

would suggest-simply on the grounds of size.

There are admittedly areas of year. overlap and from an industry So taking a fairly optimistic standpoint the marriage may make a lot of sense both in the push right up to £135m. UK and overseas. But Coats is not a down at

heel company just waiting to be transformed by new management; far from it. It will take time for the market to see the benefits from combining the operations and in the meantime, once the cash alternative is out of the way, Dawson's price could be vulnerable.

expected which was something of a relief given the disappointments to come out of the electronics sector over the last year. At the pre-tax level profits halved in the six months to £23.2m with a collapse in US



that division's profits by £26m —thankfully the UK's profits exchanges.
seem to defy gravity—while In truth much of the re-

innie uerb ilom lagio con

The question the market is

now pondering is whether Racal alternative. the income starts to flow there
Dawson shareholders should is no reason to suppose it can-

> Us data communications is a less certain activity, but the cycle—which lags behind the US computer equipment cycle by around six months—does seem to be ready to turn up early in the next financial year. Also, Racal has stripped a fair amount of costs out of its US operation, perhaps as much as \$20m to \$30m in all, which will come through in the next full

push right up to £135m, dropping the earnings multiple to around 11½. That might be sufficient encourage investors again.

Unlike Racal, Lourho has never really been one of the market's favourite companies, even if over the years it has provided the City with more than its fair contribution of Racal's half time figures excitement. And yet in recent turned out to be no worse than weeks Lonrho's shares have been gaining themselves something of a growth rating—at least by past standards.

In fact the full year figures this week came in a little below most profit forecasts with a 17 per cent rise to £158.3m pre-tax. Although most analysts reserve judgement until they see the full accounts, scant evidence from the preliminary statement confirms the view that all divisions appear to be progressing well with the exception of agriculture which has been dented by poor commodity

There was some carping about the dividend rise—the payout is 1p higher at 12p— but given the ACT burden the return is a reasonable one giving a yield of about 8 per cent. For Lonrho that is a high rating as the market has never been particularly impressed with the quality of earnings which are wide open data communications dropping to attack from movements in commodity prices and foreign

accelerating start-up losses on rating of late has been cellular radio, Vodafone, prompted by thoughts of a increased by £5m.

For the full year Vodafone's more than one tasteful morsel osses could amount to £19m within the group that might In round numbers Coats had while the total trading shortfall attract a buyer planning to

underlying contract falls—the oppositite of a call option.) A 1

cent per £1 profit on a contract with a face value of £12,500 meant in this instance a £125

profit on an initial investment of £250 before charges.

Such movements are not un-

usual, but they are difficult to profit from unless the intang-ibles in the market are on your

side. Far better to wait for a

With Budget Day on March

Change 1985/86 1985/86 onweek High Low FT Ordinary Index +34.8 1,161.0 911.0 Interest rate pressures recede 1,161.0 Acorn Computer ÷ 15 Home computer sales hopes Home computer sales hopes Amstrad ± 64 Automotive Product 191 Agreed hid from BBA +63 Agreed bid from Dawson International Coats Patons Powderplan Securities stake Cowan de Groo ÷20 Agreed merger with Inn Lelsure Devenish (J. A.) +77Dixon (David) 298 Merger talks terminated -43Rights offer to finance new mine East Rand Consolidated **Energy Capital** Asset injection hopes ÷12 Bid from Demerger Corporation 395 +48403 ÷54 Hambro Trust to sell stake 394 +34US support 390 Buys 11 per cent of Goal/bid hopes Premier Consolidated ÷ 7 Process Systems Broker downgrades profits forecast Rank Organisation ÷72 503 Better-than-expected results Pleasing interim results Smith (W. H.) "A" ÷40 316 Tozer, Kemsley & Millbn Asset injection hopes ÷11 118 Successful rights issue 14 Unigroup Talk of share stake build-up Woodhouse and Rixson +16

THE OFFER for sale of shares in the Throgmorton USM Trust, launched on Wednesday, poses a rather obvious question: why would any one want to buy shares in an investment trust specialising in a market where the index has managed to put on only 20 percentage points since its formation in 1980 against a 132 per cent gain in the FT-Actuaries All Share?

The only other investment trust to specialise in the USM-Ivory and Sime's First Charlotte Assets Trust-has, after all, been somewhat lacklustre in performance, Formed in May 1981, it achieved a rise in asset value of only 39 per cent in the four years to December 1985 against a 118 per cent rise in the main market index. First Charlotte's performance

has in part been depressed by the factors which have held back the USM index itself: namely, the market's early dependence on the ill-starred oil and electronics sectors; and the substitution of realism for euphoria which has brought about a downward re-rating of USM stocks generally.

The Throgmorton Trust's manager, Throgmorton Investment Management Services. can argue with justification that the market is now on a much firmer footing. It is ratios are much closer to main stablemate. market levels.

Terry Garrett other factors which have held return for a 29.5 per cent stake First Charlotte back. In the However, Mr Rennie says that



Robert Seabrook . "the bigger the company, the more perfect the market in its shares

some cases to be less than satis- well." factory. "We went through a

which specialises in smaller companies.

However, Gavin Rennie, First The Throgmorton Trust is Charlotte's investment fund handing over nearly all its USM manager; points to a number of holdings to the USM trust in However, Mr Rennie says that finding good investment opportunities on the USM is still a

profits are up one year and down

potential." There are further problems when a suitable company has pects, however, is the greater risk involved. Small companies The small size of USM companies makes it difficult for an institutional investor to acquire enough shares to make up a worthwhile holding: and it the institution does succeed in doing so, it then tends to be locked into the shares because any attempt to divest itself of such a large slice of the company's equity would send the price into a posedive worthwhile holding: and if the

fund now has 90 per cent of its assets in USM or ex-USM com-

market's early days, for panies and Mr Rennie feels its example, there were few comformative period is over. "We panies to choose from, and those firmly believe that in the long which were selected proved in term it will do exceptionally

One of the biggest attractions steep learning curve in identify- of a USM investment trust is its ing profitable situations," says ability to pick up stock in new Mr Rennie.

Mr Rennie.

ability to pick up stock in new issues. Most USM companies Throgmorton starts with the come to the market through advantage of a management placings, and private investors team with many years' experiin particular find it virtually ence in small company invest- impossible to obtain shares in ment and an enviable record them. Investment trusts, howbigger and more broadly based under the banner of the Throg-ever, are an obvious first port than it was in 1981, and p/e morton Trust, the USM trust's of call for sponsors to new

USM UNLISTED SECURITIES MARKET

Throgmorton might not find it to prove attractive for more reasesy to build up its portfolio.

"The quality of businesses at all investors, private and inwithin the market is not as stitutional, who are interested in long-term capital growth. Throgmorton, however, hopes great as some people would have you believe. For example, one problem we have identified is that a lot of the companies are facilities. The state of the companies are the state of the companies are stated in long-term capital growth through investment in the USM.

Robert Seabrook, managing director of Throgmorton. in long-term capital growth family-run and there is no parment Management Services, ticular incentive for growth: points out that small businesses points out that small businesses inevitably offer higher growth the next because the directors prospects than large companies do well out of it whatever if the right ones are chosen. "The bigger the company, the more perfect the market in its shares, and therefore by definition the opportunities for rapid growth are fewer."

Attendant on these rosy prosthan big ones; and although Throgmorton's risk will be spread across the market, the USM itself has yet to experience a bear phase and there is some

That said, he is optimistic about the USM and First Charlotte's future in it. The

Richard Tomkins

COMPANY NEWS SUMMARY

Value of Price Value bid per Market before of bid share** price** bid £m's**

TAKE-OVER BIDS AND DEALS

Anglo-Indo Corp 1985 180 166†† 11.75 Piant & Gea Inva Antomotive Prods 1935 191 128 108.67 BBA Group Business Comptr 24}\$5 23 20 1.44 Electronic Bata Charterhouse Pets 108}\$5\$100 66 146.76 Petrodiak Charterhouse Pets 108}\$5\$100 66 146.76 Petrodiak Charterhouse Pets 108}\$5\$100 66 22.53 Diawson Intil Charterhouse Pets 108}\$5\$100 66 146.76 Petrodiak Charterhouse Pets 108}\$5\$100 1.892hn Argyll Group Charterhouse Pet	I	Pric	as in pend	s uniess	otherwis	e indicati	nd.
Automotive Prods 1935 191 123 108.67 BBA Group Business Comptr Charterhouse Pets 108 \$ \$ \$ 100							
Antomorive Protos 1938 191 194 195 1	ı	Anglo-Indo Corp					
Charterhouse Pets 108\frac{1}{5} \frac{1}{5} \frac	İ						
Coats Patons 225 225 203 622.53 Dawson Infl Coats Patons 225 225 203 622.53 Dawson Infl Cole Group 372\$ 343 240 11.20 Low-& Bonar Bavenports (Brw) 423 410 368 34.33 Withmptn & Ddly Dew (George) 91 90 92 7.28 Bremner Distillers 521\$\$ 565 510 1.892hn Argyll Group Distillers 612\$\$\$ 565 576 2.223hn Guhness First Castle Elec 131 174 111 46.79 Morgan Crucible French Klert 299\$ 297 224 147.23 Beazor (C. H.) Gomme Hidgs 87" 84 59 11.23 Millimine Group Lotus 1294* 128 120†† 22.74 GMLG Imperial Group 233\$\$ 246 242 1.762bn Honson Trust Innerial Group 233\$\$ 246 242 1.762bn Honson Trust Innerial Group 964 124 116 25.38 Devenish Macarthy's Phar 275*\$ 280 257 36.22 Indelle Macarthy's Phar 275*\$ 280 257 36.22 Indelle Newman Tonks 131 134 96 44.05 McKecknile Bros Petbow Hidgs 524\$\$ 50 48†† 7.04 Anglo-Nordic Plessey 1624\$\$ 184 176 1.179bn GEC Somesson 190* £17\$ £13\$†† 3.23bn Fermenta Spencer Clark 140 148 131 7.03 Williams Hidgs Stanelcof 10*\$ 40 38 0.54 Brand Promotions Thomson T-Line 50* 123 48 0.50 Diamond Towngrade Sees 22*\$ 33 37 1.67 Millbank Day Utd Com & Tech 05* 110 70 2.38 Harvard Sees Wagon Finance 136\$ 137 124 32.17 MAI Williams (J.) 24\$ 25\$ 20 1.39 Wyndham Group	ł		34183				
Cole Group 3728 343 240 11.20 Low-& Bonar Cole Group 3728 410 368 34:33 Wivimpth & Ddly Davenports (Brw) 423 410 368 34:33 Wivimpth & Ddly Dew (George) 91 90 92 7.28 Bremner Distillers 52188 565 576 2:223tm Group Bistillers 6128 \$8: 565 576 2:223tm Group Grueble French Kiert 2998 297 224 447.23 Beazer (C. H.) French Kiert 2998 297 224 447.23 Beazer (C. H.) Group Lotus 1294* 128 120†† 22.74 GMLG Group Lotus 1294* 128 120†† 22.74 GMLG Imperial Group 2338\$ 246 242 1.7623tm Inson Trust Inn Leisure 964 124 116 25.38 Devenish Macarthy's Phar 275*\$ 280 257 30.22 Jadelle Newman Tonks 131 134 96 44.05 McKechnie Bros Petbow Hidgs 5248 50 487† 7.04 Anglo-Nordic Plessey 16248\$ 184 176 1.179bn GEC Omportex 234*\$ 186 27 0.79 Masses N. Wray & Somportex 234*\$ 186 27 0.79 Masses N. Wray & Somportex 234*\$ 10 148 131 7.03 Williams Hidgs Stanelcof 10*\$ 40 38 0.54 Brand Promotions Thomson T-Line 50* 123 48 0.50 Diamond Towngrade Sees 32*5 33 37 1.67 Milbank Doy Utd Com & Tech 95* 110 70 2.38 Harvard Sees Wagon Finance 1365 137 124 32.17 MAI Wyndham Group Williams (J.) 248 254 20 1.39 Wyndham Group Williams (J.) 248	ı		10813 \$8	100			
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Distillers G123 \$3: 565 576 2.223tm Guinness						TAPO	
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Imperial Group 233 246 242 1.762bn Houson Trust	ı						
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Macarthy's Phar 275*8 280 257 30.22 Jadelle	.						
Newman Tonks 131 134 96 41.05 McKechnie Bros				124			
Petbow Hidgs		Macarthy's Phar					
Picssey 162183 184 176 1.179bn GEC	١.						MCACCINIC DIUS
Somportex 231 3 186 27 0.79 Messis N. Wray & C. Mattock		Petbow HIdgs¶					Willio-Motere
Somesson	'	Plessey					
Sonesson 190° £17; £13 † 3.23bn Fermenta	i	Somportex	28¦4§	186	27	0.79	
Spencer Clark	i	,	•				
Spencer Clark		Sonesson	190*il	£17 }	£18}†‡		Fermenta
Stanelcof 10°\$ 40 38 0.54 Brain Fromotions		Spencer Clark	140	148	131		
Thomson T-Line 50* 123 48 0.50 Diamond Towngrade Sees 32*5 33 37 1.67 Milbank Dov Utd Biscuits 308 242 278 1.249bn Imperial Group Utd Com & Tech 95* 110 70 2.38 Harvard Sees Wagon Finance 1385 137 124 32.17 MAI Watson (R. Klvn) 275* 285 248 8.25 Coopervision Williams (J.) 24\$ 25! 20 1.39 Wyndham Group	i		10*\$	40	38		
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Utd Com & Tech 95° 110 70 2.38 Harvard Sees Wagon Finance 1365 137 124 32.17 MAI Watson (R. Klvn) 275° 265 248 8.25 Coopervision Williams (J.) 24\$ 25¹ 20 1.39 Wyndham Group				242	278	1.249bn	Imperial Group
Wagon Finance 1365 137 124 32.17 MAI Watson (R. Klvn) 275* 265 248 8.25 Cuopervision Williams (J.) 245 251 20 1.39 Wyndham Group						2.38 -	Harvard Sees
Watson (R. Klvn) 275* 265 248 8.25 Coopervision Williams (J.) 248 251 20 1.39 Wyndham Group							
Williams (J.) 248 251 20 1.39 Wyndham Group				265		8.25	Coopervision
Varrow 438 560 485 12.57 Well Group				251		1.39	Wyndham Group
				500			Weir Group

*All cash offer. Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. **Based on January 31 1986. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. |||| Loan stock. ‡‡ Suspended. || Swedish kroner.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Ear	nings* per sh		dends*
Allied Textile Argyle Trust Assoc Fisheries Blue Arrow Camford Eng	Sept Oct Sept Oct Sept	6,380 604 3,430 2,100 1,910	(5,400) (320) (2,090) (411) (1,060)	1.88 10.83 14.9 8.6	(—) (1,87) (8.60) (7,2) (5,3)	13.0 1.0 3.25 1.2 1.75	(7.24)† () (2.75) (0.6) (1.05)
Domino Print Gallaher Habit Precision Heavitree Brew Lonrho	Oct Dec Sept Oct Sept	2,650 109,700 642 737	(1,820) (108,200) (108,200) (439) (609) (135,400)	12.17 5.0 22.8	(8.48) () (5.3) (14.8) (20.9)	1.0 1.75 8.25 12.0	(1.5) (7.5) (11.0)
Reliock Trust Rank Org Securigard Talbex	Dec Oct Oct July	772 137,000 715 183	(726) (105,300) (1,050) (23)	36.0 5.4 0.79	(27.7) (8.2) (0.11)	0.75 15.0 2.7	(0.6) (12.0) (2.35) (—)
Television South Wagon Finance Warner Est	Oct Dec Sept	8,900 3,330 3,470	(8,100) (3,370) (3,150)	20.8 8.2 22.3	(14,4) (7.8) (18.0)	8.0 1.0 18.0	(6.0) -(3.38) -(15.0)

INTERIM STATEMENTS

	Company to (£000)			Interim dividend: per share (p)		
;	Astra Ind Group	Oct	139L	(63) L	_	(→)
d	Chancery Secs	Sept ·	405	(286)	0.9 .	· (—)
- 1	Courts	Sept	2,130	(2,620)	1.75	(1.75)
٠l	Cowan de Groot	Oct	773	(656)	1.25	(L0)
7	Cray Electronics	Oct	· 2,120	(1,260)	0.96	(0.74)
1	Deajam Hldgs	Sept	7,390	(6,280)	5.0	(5.0)
۰۱	Dom Hldgs	Sept	585	(530)	. 1.7 3	(1.73)
٠,	Robt M. Douglas	Sept	583	(295)E	0.75	(—)
1	Equipu	Oct	655	(573)	1.6	(1.4)
ļ	Finlan Group	Sept	235	(81)	1.8	(1.S)
1	Flogas	Nov	658‡	(484)	1.27	(1.06)
	Group Investors	Dec '	351	(263)	1.6	(1.3)
	Hallite	Nov	46	(265)	3.0	(3.0)
.	Samuel Heath	Sept	104	(125)	- ·	(—)
	Hillards	Nov	3,780	(3.600)	. 1.0	(0.85)
9	Home Farm Prod		669	(387)	1.15	(1.15)
: 1	Rewill Systems	Sept	285	(222)		(—)
ľ	London Shop Pro	p Oct	3,490	(3,190)	1.45	(L35)
:	Marker Estates	Sept	82	(55)	_	(—) ·
ľ	Meat Trade Supp	Sept	- 70	(80)	1.75	(1.75)
ιl	Mercantile House	e Oct	32,670	(27,510)	4.25	(4.0)
.	M. L. Hldgs	Sept	707	(423)	2.3	(2.0)
:	Peerless	Sept .	_ 806	(863)	2.1	(2.1)
-	Racal Elec	Oct	23,180	(47,180)	0.76	(0.76)
. i	Ragian Prop	Sept	122	(110)	· . —	()
	Real Time Contro	ol Sept	105	(118)	-	(—)
ı	J. Saville Gordon		1,130	(1,020)	. 0.8	(0.7)
	W. H. Smith	Nov .	21,300	(16,800)	2.0	(1.7)
•	Vibroplant	Sept	1,950	(1.530)	3.7	(3.3)
	Watshams	Sept	1,200	(728)	1.2	(0.9)
	Joseph Webb	Sept	131	(120)	0.13	(0.13)
•	Wiggins Group	Sept	128	(101)L	. —	()
	Wintrust	Sept	1,440	(1.260)	1.8	(1.6)
٠,	Zetters	Sept	· 778	(601)	1.25	(1.0)

(Figures in parentheses are for the corresponding period.) * Dividends are shown net pence per share, except where otherwise indicated. Equivalent after allowing for scrip issue, ‡ Irish pounds. L Loss.

SCRIP ISSUE

Allied Textile-One-for-one.

RIGHTS ISSUES

Watshams—Is raising £9.2m by a one-for-three rights issue at 140p. Porter Chadburn—Is raising a £1.75m rights issue of 2.03m convertible preference shares.

ondon Shop Property Trust.—Is raising £18.56m through a rights issue of £3m of 9.25 per cent convertible loan stock for every 10 ordinary shares.

Cray Electronics—Is to raise £13.2m through a rights issue on a two-for-one basis at 235p per share.

A FINANCIAL TIMES SURVEY

EXHIBITIONS AND CONFERENCES

Friday, February 21, 1986 For further information, please contact: NINA JASINSKI

on 01-248 8000 ext. 4611

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

STOCK MARKET sentiment is one of the most awkward, short-term intangibles for outside investors to grasp. A change of mood, often fed only by rumour or triggered by

An option to buy the index the longer term and something the longer term and something the longer term and something the longer term and something the longer term and something would give ground first would have encouraged investors to buy a put option. When the rate was £1.44 the option change of mood, often fed only by rumour or triggered by seeming trifles, can sweep at 1400 before the end of February cost just the fundamentals re-assert the fundamentals re-assert the fundamentals re-assert the end of February cost just the fundamentals re-assert the fundamentals re-assert the end of February cost just the fundamentals re-assert the end of February cost just the fundamentals re-assert the end of February cost just the fundamentals re-assert the end of February cost just the end of February cost just the fundamentals re-assert the end of February cost just the end of February cost

the cabinet and on the world oil market illustrated the effect on sentiment on shares prices, and how traded options can offer a highly speculative op-portunity for investors willing to take risks.

was battling for her credibility 1425 and the option could be and the crude oil market was sold back for 43p (or £430 a free-falling towards \$20 per gain of almost 100 per cent free-falling towards \$20 per barrel. The City, with its before charges). traditional preference for con- An investor wh servatism, was made nervous the seriousness of the Cabinet crisis. When crude oil index, a put option; the prices fell towards \$20. re- February 1350s for example. ducing North Sea revenue prospects and threatening the

pound, the prospect of a rise in interest rates to steady sterling put the stock market to flight.

Two highly speculative opportunities using traded options presented themselves. One was betting on a substantial move in the stock market using the FTSE 100 index option contract. The second was a direct play on the dollar/sterling rate of exchange.

In the third week of January the dollar went to over

of exchange.

The risky aspect of both contracts is that they require investors to take short term views of the market during a period of considerable uncertainty and volatility. But for the brave, or the lucky, the potential gains were substantial.

Take first the FTSE 100 option. Ten days ago it was standing around 1370-1380, 50 points below its January high.

In the third week of January the dollar went to over \$1.44 per £1. The New Year hopes for lower interest rates of the combination of the inconclusive G5 meeting and the downward pressure on world oil prices.

The Bank of England's intervention on behalf of both instending around 1370-1380, 50 terest rates (keeping them down) and the pound (supporting it) were contradictory over

When fortune favours the brave

options

An investor who expected the clear strong trend to emerge, market to fall would have and buy the option on that. bought an option to sell the The premium for this was 17p option plays in the next two but it fell to 8p in a week, months. illustrating that big short term

Company INTERIM DIVIDENDS	Announce- ment		ividend yeşt	(p)* This yest
Agronson Brothers	Thursday	3.0	1.2	
Acrospace Engineering	Thursday	1.2	1.2	
Andre de Brett	Monday	1.5	1.0	
Flortech	Tuesday			
Goode Durrent and Murray	Thursday	1.25	1.25	
Howard Shuttering	Tuesday	0.7	0.7	
	Tuesday	50.929	63,700	
LDH		0.1	0.1	
Neepsend	Tuesday	<u> </u>	1.0	
Portsmouth and Sunderland News	Thursday	1.65	7.0	
William Rensom and Son	Thursday	1.75	3.25	
Textured Jersey	Monday	1./4	0.20	
PRELIMINARY DIVIDENDS				
Associated Energy Services	Tuesday	_	1.0	
Commercial Bank of Wales	Tuesday	_	_	2.125
Martin Ford	Thursday	0.35	0.7	0.05
Meggitt Holdings	Friday	_	_	_
	Tuesday	1.65	3.75	1 65
Newman Tonks	Monday			
Norsk Data AS	Friday	_	_	-
PLM AB		_	_	_
Questol	Friday	2.75	4.75	2.75
Throgmorton Trust	Friday			
Dividends are shown net pence	per shara.	818 DIE	arloaco	d for any

themselves, but only after leaving some very steep lines on the graphs.

The recent parallel crises in

Traded

Ten days ago Mrs Thatcher market, the index recovered to

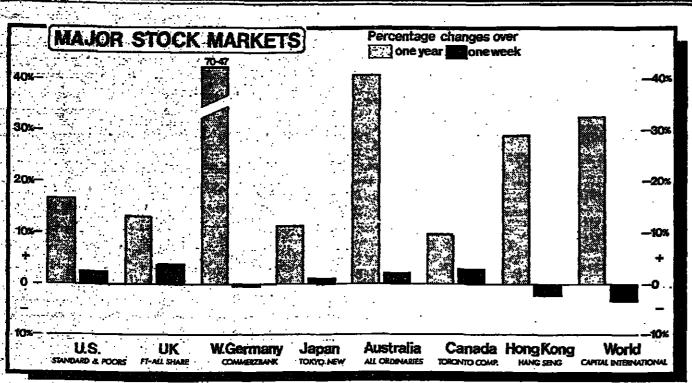
Announce- ment			(p)* This yes:
Thursday Thursday Monday Monday Tuesday Tuesday Tuesday Tuesday Tuesday Tuesday Thursday Thursday Monday	3.0 1.2 1.5 	1.2 1.0 1.25 0.7 63,700 0.1 1.0 7.0 3.25	•
Tuesday Tuesday Thursday Friday Tuesday Monday Friday Friday Friday	0.35 1.55 	1.0 0.7 3.75	2.125 0.05 1.65
	Thursday Thursday Thursday Tuesday Tuesday Tuesday Tuesday Thursday Thursday Thursday Thursday Thursday Thursday Thursday Tiesday Tuesday Tuesday Tuesday Thursday	Thursday 1.2 Monday 1.5 Tuesday 1.7 Tuesday 1.7 Tuesday 0.7 Tuesday 0.7 Tuesday 1.75	Thursday 3.0 1.2 Thursday 1.2 1.2 Monday 1.5 1.0 Tuesday 0.7 0.7 Tuesday 50.929 63,700 Tuesday 0.1 0.1 Thursday 1.65 7.0 Tuesday 1.75 3.25 Tuesday 1.65 7.0 Monday 1.75 3.25 Tuesday - 1.0 Thursday 1.65 7.0 Monday 1.75 3.25 Tuesday - 1.0 Tuesday - 1.0 Tuesday - 1.0 Tuesday - 1.0 Tuesday - 1.0 Tuesday - 1.0 Tuesday - 1.0 Thursday 0.35 0.7 Friday - 1.0 Tuesday - 1.65 3.75 Monday - 1.60 3.75 Monday - 1.60 3.75 Monday - 1.60 3.75 Monday - 1.60 3.75

The second secon

18 there could be opportunities for some interesting index Mrs Thatcher . . . a battle John H. Parry for credibility. INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

	Quoted rate %		ounded : taxpayer 45%		Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	6.50	6.61	5.19	3.77	half yearly	1	_	. 0-7
High interest cheque		9.31	7.31	5.32	quarterly	ī	2.500 minimum	
3-month term	8.75	9.04	7.10	5.17	quarterly	ī	2,500-25,000	90
BUILDING SOCIETY+								
Ordinary share	7.00	7.12	5.60	4.07	half yearly	7	1-250.000	Λ
High interest access	8.75	8.75	6.88	5.00	yearly	î	506 minimum	ň
90 day	9.50	9.73	7.64	5.56	half yearly	• 🕏	500 minimum	90
Premium	9.40	9.74	7.65	5.56	quarterly	ī	10,000 minimu	
NATIONAL SAVINGS								
Investment account	11.50	8.05	6.33	4.60	yearly	2	5-50.000	30
Income bonds		8.88	6.97	5.07	monthly	2	2.000-50.000	- 90
31st issue‡		7.85	7.85	7.85	not applicable	2 3	25-5.000	- 20 8
Yearly plan		8.19	8.19	8.19	not applicable		20-200/month	14
General extension	8.52	8.52	8.52	8.52	yearly	3		ŝ
MONEY MARKET ACCOUNTS								
Money Market Trust	8.79	8.98	7.06	5.13	half yearly	1	2.500 minimum	
Schroder Wagg	8.22	8.54	6.71	4.88	monthly	ī	2.500 minimum	
Provincial Trust	9.34	9.75	7.66	5.57	monthly	1	1,000 minimum	i, o
BRITISH GOVERNMENT STOCKS						_		
7.75% Treasury 1985-88	11.54	9.28	8.00	6.73	half yearly	4		0
10% Treasury 1990	11,66	8.50	6.78	5.08	half yearly	4	***	Ŏ
10.25% Exchequer 1995		8.28	6.62	4.96	haif yearly	4	<u> </u>	ă
3% Treasury 1987		8.95	8.43	7.91	half yearly	ã	_	ň
3% Treasury 1989		8.15	7.58	7.02	half yearly	4	-	ň
Index-linked 1988		8.58	8.20	7.83	half yearly	2/4	_	Ä
13062-110KEG 1300#		U-00	G-44	1.00	neer learn			

*Lloyds Bank. † Helifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of



Brazil goes for gold

uary 1 1986 .

MARY

 $\mathbf{Bid}_{\mathsf{Ger}}$

Pathindes Dife

59 150 150 145 85

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per share in

I * BIG GOLD find for Rio Tinto-Zinc," or words to that effect, were being bandled about in the Brazilian newspapers in August last year. The find turned out 🕳 to be the group's Morro do Ouro prospect near Paracutu, about 240 km south-east of Brasilia. which had been under examina-

tion for some time.

Nothing much more was heard about it until this week when RTZ announced that it is to take the open-pit gold propo-sition to production on a 51.49 per cent joint venture basis with the Brazilian company Autram Mineracao e Participacoes.

One reason for the lengthy examination of the prospect appears to be the low gold con-tent of the ore. It is believed that the grade is less than one gramme gold per conne and the property will thus need to be worked on a cost-saving major scale in order to pay. RTZ, of course, has plenty of experience in such operations.

The cost of taking Morro do Ouro to production is put at about \$62m (£43.8m) and first about \$62m (£43.8m) and first. The gold producers in Austra-output is planned for the end dia are doing so well that the of 1987 at an average annual payment of dividends is becomrate of 3 tonnes, or about 96,450

ounces, of gold.

It is a big deposit—something in the region of 80m tonnes of ore has been suggested—and dend for the present year to the mining plan envisages a life. June 30. A little of the shine of 15 years for the operation, was taken off this news by the

out of such low grade ore will be quite a challenge and will. Then, we have had North heavy demand for home mortno doubt be watched with a Kalgurii declaring a maiden gages, appear to rule out any nod deal of interest by others in the mining industry.

additional mineable reserves.

RTZ says only that a specific metallurgical process has been developed and presumably takes for the gold price, which seems to have settled quite happily at its recently improved level or

just over \$350 an ounce. That price is also very acceptable for the South African gold producers, although they have lost part of their exchange rate advantage in sales revenue as a result of the improvement in the

value of the rand.
Still, that has not stopped share prices from rising, and now we must await the international investment community's reaction to yesterday's major speech by President P. W.

Meanwhile, the grandiese scheme for the merging of Anglo American Corporation's Orange Free State gold mines into the world's biggest gold mining complex, with an annual output of gold worth almost \$1.3bn, looks like going through

The proposals were passed at this week's meetings in Johan-nesburg of President Brand, President Steyn and Western Holdings. That of Free State Geduld, however, ran out of time as a result of some lively questioning and it has been adjourned until February 11: Pending the meetings, these



mines held back their reports fort the December ouarter of 1985. The idea was to issue a combined report for all of them if the merger plans were approved at the respective meetings. As it is, they have decided to issue separate quarterlies while the vote of Free State Geduld shareholders is awaited.

Unlike the general trend in the industry, lower net profits for the period have been reported by these mines with the exception of President Steyn. Thanks to the higher gold price received, all have earned more at pre-tax level; but in view of the pending merger they have soft-pedalled on the tax-offsetting capital expendi-

ture and, as a result, have had to face sharply higher tax bills. ing the order of the day-whatever next?

Carr Boyd Minerals has said that it should pay a first divi-This might well be extended in accompanying announcement the meantime by exploration for that, in the meantime, there will be a small one-for-ten rights Making a paying proposition issue of new shares at A\$1.35 budget deficit, combined with (about 68p).

Mining

companiment of a leap in half-year profits to A\$4.36m from A\$1m a year ago. Tony Grey's Pancontinental Mining could be next in the dividend list, although assets growth may take priority over dividends in this case.

Still, I hear that his Paddington gold operation—which was nearly lost to claim-peggers on New Year's eve—is now up to full capacity and should produce 90,000 oz in the current year to June 30.

There is also news from a certain little furry friend of ours to the effect that Padding-ton: is planning a "material" increase in production. We should hear more about it towards the end of February, says Moley.

Finally, a plea to Australian mining companies contemplat-ing dividends. It would be nice if they followed the example of little Kia Ora Gold and sent the dividends in sterling cheques to UK shareholders, thus saving the latter the cost of bank charges on the currency

Exchange is hit by chill factor

Ontario early this week are not four years. They also have a the only reason for a chilled substantial exposure to Third numbness on the Toronto Stock Exchange.

During a month of record trading volumes in January, share prices have taken their heaviest battering in years and then staged a spirited recovery. In the three days to January 22, the TSE 300 index suffered its biggest fall since March, 1980. On that day, the index was 142 points below the record high of 2,901 reached on New Year's

Since then, the index has bounced above 2,850 again. But little is heard now from those analysts who, just a month or two ago, hoped that a further drop in interest rates, rising corporate profits and investors' willingness to accept higher price-earnings multiples would help to sustain the boom.

Merrill Lynch Canada hedges its bets in its latest investment letter by advising "a large measure of caution in an otherwise aggressive investment strategy.

The year started badly for the stock market when the Bank of Canada pushed up domestic interest rates to counter unexpectedly strong pressure on the Canadian dollar. Banks raised their prime lending rates from 10 per cent to 11 per cent in the first two weeks of January. A stubbornly high Federal

strong investment spending and ienificant downturn in interest rates for the rest of 1986. The slump in world oil prices

might bring a small net benefit to the Canadian economy, but it has brought no cheer to a resource-orientated stock market. The TSE's oil and gas index has slid by about 15 per cent from

last year's peak.

Another major sell-off is expected if oil prices fall to \$U\$15-18 a barrel. At those prices, the future of many heavy oil projects in Alberta, as well as the development of oilfields off the east coast and the Canadian Arctic, will be in jeopardy. Analysts are keeping a nervous eye on Dome Petroleum, the oil and gas producer which edged into profitability last year but is still burdened by C\$6bn

While drilling cortonies were the main victims of the 1980-82 drop in energy prices, analysts expect that junior producers will suffer most this time round. Calgary-based Sulpetro and Ocelot are among the juniors which still carry substantial debt from the 1981-83 recession. They are thus vulnerable to higher intrest rates as well as lower oil

Canadian banks are in the same position. Despite being an analysts' favourite, Bank of Kenneth Marston Montreal's share price has dropped about 10 per cent from its peak of C\$35. Problem loans

THE ICY Arctic winds that to real estate and energy com-ended an unseasonal mid-winter thaw in southern banks' performance for the past World oil producers, especially in Latin America.

On the brighter side, Roy Palmer, banking analyst at the securities firm Alfred Bunting and Company, points out that Canadian banks have made large provisions for problem loans. Royal Bank has set aside C\$1.6bn in the past three years and most banks' provisions for loans to 32 of the most-troubled international debtors are expected to top 10 per cent of their

The problems in the oil patch have rubbed off on investors' perceptions of some of Canada's biggest public companies. The two diversified conglomerates, Canadian Pacific and Bell Canada Enterprises (BCE), and Hiram Walker, best known for its whiskies, are among those with substantial energy invest-

BCE, whose share price has fallen from C\$451 to C\$38 in

Toronto

suffered a double blow. It has a 47 per cent interest in Trans-Canada Pipelines, the large pipeline operator which stunne the investment community in December by announcing the dividend payments would not be raised in 1986.

BCE also controls the telecommunications equipment supplier Northern Telecom. After several years of heavy growth, Nortel forecast earlier this month that earnings would sink by 20 per cent in the first half of 1986. Its share price has tumbled by a third since last February. Amid the gloom, analysts are

recommending consumer and manufacturing companies as most likely to benefit from those parts of the Canadian economy expected to perform well this year. Philip Heitner, portfolio strategist at the securities firm Nesbitt Thomson Bongard, cites lvaco, an aggressive Montrealbased steel producer and fabricator, and Haley Industries which produces specialised castings for the aerospace industry.

Merrill Lynch Canada includes among its recommenda-tions CAE Industries, a leading maker of flight simulators, and the department store chain,

Sears Canada. However, events of the past week have shown that investors best-laid plans can go awry. The destruction of the space shuttle brought a spate of sell orders for Spar Aerospace, the highly regarded manufacturer of the shuttle's robotic arm. Analysts have been recommending Spar shares, but news of the crass pushed their price down by almost \$1 on Tuesday.

Bernard Simon

Shares face a crucial week

NEXT WEEK'S performance of the Johannesburg Stock Exchange (JSE) is likely to provide a crucial indicator of where South Africa's economy is headed.

If local and foreign investors turn their thumbs down to indications of reform given by President P. W. Botha at yester day's opening of Parliament, their loss of confidence will quickly be followed by industry and commerce. For although stock market indices bave touched record high levels in the past two weeks, confidence remains brittle and internal perceptions of the country's prospects differ widely from external views.

On January 21, the JSE Actuaries All Market index touched an all-time high of 1,411.9 — more than 40 per cent. higher than its nervous trough of 1,000 a week before President Botha's ill-conceived "Rubicon" speech last August. It was more than 50 per cent higher than the 922.6 it touched in February iast year.

Reversal of the stock and foreign exchange markets' responses to the August speech, which promised no new directions for South Africa's stalled political reform process, became possible only with the reimposition of stern foreign exchange controls. They returned domestic investment markets to the hothouse of restrictions and effectively increased the financial penalties suffered by foreign sellers of South African

The stock market was closed for almost a week in the final days of August and reopened to the reintroduction of the dual exchange rate system which had been abolished only in February 1983 after more than 20 years.

This led to four months of divergence between the JSE's internal and external performance. The reimposition of the so-called financial rand system ended the drain on reserves of foreign divestment and turned many would-be non-resident sellers of South African scrip into currency hostages. While the commercial rand

dropped to record lows against the dollar as foreign creditor banks rejected South African initial proposals for ending the unilaterally declared debt repayment moratorium, the financial rand moved even lower to trade at discounts of between a quarter and one-third to the commercial rand. The effective value of the financial rand precisely reflected

non-residents' antipathy towards South African shares. Meantime, inside South Africa



President Botha, who opened Parliament yesterday.

the rand's weakness was trans- vious as investors were faced forming the performance of the with the prospect of widening important gold mining industry. real negative yields on other The decline in the external investments. Turnover on the value of the rand translated JSE has set new records this year, helped by share purchases by institutions which saw their into record rand-denominated gold prices even though the dollar price of gold was wallowing just above \$300 an ounce, vest abroad dashed by last Investment in gold shares year's foreign exchange con-offered South Africans not only trols. protection from the rand's decline but also from the country's

rising inflation. In July, when foreign creditor banks demanded repayment on maturity of short-term loans they put paid to South African hopes that the country would emerge from its worst post-war recession on the back of im-

South Africa

proved foreign trade. Foreign loan repayments would have prevented that.

Official policy switched away from inflation-fighting austerity to potentially inflationary economic stimulation. The Reserve Bank initiated a cheap-money policy which led the commercial banks to cut their prime overdraft lending rates from a high of 25 per cent last May to 15.5 per cent by the end of jacket.

January. Inflation responded by In n soaring to a record 18.4 per cent in December.

gains, became increasingly ob- curbed

real negative yields on other investments. Turnover on the

Johannesburg brokers have been quick to spot the advan-tages of the strong cash flows which record rand gold prices have given to gold mining com-panies and the mining houses. Their enthusiasm has grown with this year's gold price advance. As one broker put it: "South Africans are far happier with a \$350 gold price and a rand worth 45 US cents even though the gold mines' rand earnings are lower than with a

hopes of being permitted to in-

This etches the frame of mind of South African investors at present. They chased share prices upwards in their scramble to protect themselves after the imposition of foreign exchange restrictions in September, and have now switched to buying recovery prospects as higher dollar gold prices promise some loosening of the countryl's economic straight-

gold price of \$500 and a rand

at only 35 US cents."

In non-mining sectors, investors have tended to concentrate on buying shares in firms such shares, which in the longer run (chemicals), which have been generally provide inflation-beating dividends beating dividends and capital ally as the rand's decline has

vides a form of hedge against further weakness of the South

African currency.
On another tack, there is emphasis on firms which will benefit rapidly from the authorities' stimulatory mea-sures and those which are likely to benefit from capital spending at Mossel Bay, the site of South

Africa's first exploitable off-shore gas/oil field. There is, of course, the added confidence engendered by debt mediator Fritz Leutwiler, who left South Africa recently saying that President Botha was likely to announce reform plans which would be acceptable to the foreign creditor banks and persuade them to reverse their refusal to roll over maturing short-term debt. Dr Leutwiler is due to put new proposals to creditor banks on February 20. and the South African press is already making optimistic noises about their prospect for

If investors are disappointed by President Botha's speech yesterday, the effects will be far more comprehensive than a mere slip of the indices. Despite the Reserve Bank's managed reduction of interest rates, several large companies plan to follow others in raising new equity capital through the JSE. Many of them do not need additional capital to finance expansion projects. Rather, new capital is needed to restructure balance sheets debilitated by operating and foreign exchange losses in 1984 and 1985,

The country's two largest banks, Bareloys and Standard, had rights issues last year which were not followed by their British parents and which led to their foreign ownership slipping well below 50 per cent. Both denied any political motives in the moves, but the effective divestment of Barclays International plc coincided with President Botha's August speech and contributed to the shattering of confidence in the Rand.

Last year, privatisation of state-owned industries ground to a halt. This year, it should resume provided the market holds up. Brokers believe the Government could well decide to privatise parts of the creaking public-sector health service as well as sell the state's residual stake in oil-from-coal producer Sasol and its interest phosphate rock producer Foskor.

Nevertheless, the Government is unlikely to allow private investors to acquire a direct stake in the Mossel Bay gas project until it is on stream.

Jim Jones

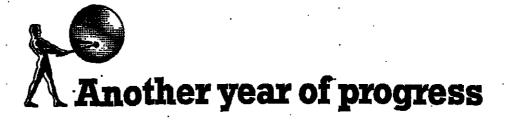
The Rank Organisation 1985

	1985	1984
Profit before tax	£137.0m.	£105.3m
Earnings per share	36.0p	27.7p
Ordinary dividend	15.0p	12.0p
Net debt	£28.3m	£146.1m

The abridged profit and loss account for the year ended 31st October 1985 is an extract from the Report & Accounts which will be filed with the Registrar of Companies upon which the auditors have given an unqualified report.

	•
* Profit before tax	+30%
*Earnings per share	+30%
	<u>.</u>

*Dividend



The 1985 Report & Accounts will be posted to shareholders on 17th February 1986.

Copies may be obtained from the Secretary, The Rank Organisation Pic. 6 Connaught Place, London W2 2EZ.

WALL STREET analysts have Consolidation, or explain the performance of the equity market over the last few weeks. Whichever way stocks have been heading, they have really been doing only one thing—"consolidating." It is difficult to give a precise ups and downs definition of the word "consoli-

dation" as applied to the US stock market. It is talked of as a process akin to digestion, as though the market were an active, rather than a passive institution, that had decided to market. New advances are likely by the spring, in our opinion," said Merrill Lynch mark time and rest from overexertion. In practical investin its market letter this week. ment terms, however, it means The optimistic case was that shares are ilkely to go up much in evidence early in the one day and down the next, week as share prices stormed without establishing any clear basically because trend for a considerable period investors had had second thoughts about the impact_of In this sense, the last four the slide in oil prices. The initial response to the oil weeks have given a classic demonstration of consolidation. On January 7, US share prices as measured by the Dow Jones price turnaround earlier in the month was one of extreme caution, with stocks being marked lower as though Industrial Average, hit their all-time high at 1565.71, yet only two weeks later they had had entirely forinvestors

fallen to 1502.29. Since then, they have bounced back up again, breaking briefly through caused by higher energy the peak on Wednesday before. prices. This week, thoughts on the settling back to close at 1558.94. tring back to close at 1558.94:

Some specialists think this negative impact on the banks, now heading downwards faster

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Some specialists think this negative impact on the banks in the banks royolng could continue into the whose loans to the oil sector pring could continue into the whose locals to the on sector than their of prints mainly because like the are dangerously exposed, were finished goods. This recover who has gorged himself on offset by the perception of the This recover the market is positive effects on much of for chemicals spring mainly because, like the

to be siden off the excesses industry. "Fundamentally, what is which showed a 23 per cent

gotten the homilies a few years

explosion. happening to oil prices is "We view the moves of beneficial to most people, most recent weeks as part of an companies, most countries, and interim corrective process to the Western geopolitical rather than the end of the bull position," said Michael Sherman, of Shearson Leman. The relevance of both kinds of thinking on oil was underlined during the week by different events on Wall Street. On Monday, investors

Wall Street

saw the dangers of rapidly falling revenues and prices, when Global Marine, the large Texan oil services group, filed for bankruptcy under Chapter II regulations.

At the same time, the stock ago about the havoc being market was swinging towards a more favourable rating for chemicals companies, where feedstock prices are

This recovery in sentiment for chemicals was helped by Du Pont's quarterly figures.

three months of last year, even though profits in the year as a whole fell by about the same amount. Du Pont's shares rose by \$1 on the news to \$84. Similar influences have also helped the airlines, whose cost structures will receive a big boost from cheaper fuel. In the present state of their finances, many US carriers need every cent they can get from Sheik

earnings increase in the final

Yamani's production policies. The dangers of cut-throat competition, palpable enough already to airline employees, many of whom have had their wages reduced by at least 20 per cent, was underscored this week in forecasts from People Express, the pioneer of discount airline travel.

During a quarter in which it bought Frontier Airlines and launched some aggressive lowprice fares, its margins took a hammering, and it gave a warning that its losses would be greater than expected.

Yet in spite of these little local problems for some of the airlines, the overall enthusiasm over energy prices has pushed the Dow Jones Transportation Index to record highs.

MONDAY 1537.61 + 7.68 TUESDAY 1556.42 +18.81 WEDNESDAY 1558.94 + 2.52 THURSDAY 1552.18 - 6.76 Terry Dodsworth Wellcome Flotation

Long-term hope

INVESTORS HAVE until Feb- are forbidden to buy shares for

ruary 7 to decide whether to the first 90 days of dealing, take part in the biggest-ever some US interests may find flotation of a private company ways of getting hold of them on the Stock Exchange, as indirectly, and purchases from shares in Wellcome, the £lbn other buyers could support the drug company, go on sale to price when the ban is lifted.

risky investment. It has a staff over the last year and a broader range of drugs than half, including the head of Bur-any other UK pharmaceuticals roughs Wellcome and its re-

any other UK pharmaceuttes.

company, much wider than say search director, who company, much wider than say search director, who company, much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director, who company much wider than say search director.

years. In addition it is particularly strong in the US, where tiers of management to be the market is relatively free to fill the positions internally.

A more significant drawback

respected name. Although they in the past financial year. The

There are a couple of stains

on Wellcome's recent record that might put off some poten-

tial investors. The company has lost four senior members of

swing. However, Wellcome seems to have enough resilient

(or advantage, depending on

one's view) is the sensitivity of

profits to the movement in

The rise in the dollar from 2.15 to 1.22 over the past five

years has been a major reason

for the increase in pre-tax profits from £50m in 1981 to £122m

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issued by your solicitor which

is handed over to the vendor

the public. T

While some have said that on

launched over the next few swing years. In addition it is particu- seems

the 120p offer price has been set a little too high, nobody

could regard Wellcome as a

shares going on offer—the trustees of the charitable Well-

come Trust are hanging on to the rest-institutions may be

particularly anxious to get a

slice. US investors may also be keen, as the US subsidiary. Burroughs Wellcome, is a well



Expatriate pensions

national has introduced a pen-sion plan for expatriates which, it claims, offers greater flexi-bility and portability than other similar schemes.

By combining several com-popents in one package the Global Retirement Account can be used by both short and long term expatriates, including those who may spend spells in the UK in between overseas postings; and by those who contemplate a series of job changes, or move from country to country.

Late entry

to Europe

FRAMLIMGTON IS a late

entry into the European fund

sector, as its chief executive

Bill Stuttaford admitted on

the launch today of the Framlington European Fund.

year and its internal pre-occupation with the link up

with Credit Commercial de

France could mean it has missed the boat on Europe. But the fund manager,

Philippe Herault, seconded to

Framlington from CCF,

believes that European stock

markets still have a lot of

growth in them, attracting

major institutional investors

from the US and Japan. Other

bull factors he cites for invest-

ment in Europe are slow, sustainable. non-inflationary growth and a new culture in

Europe where profit is not a

It remains to be seen

The company's policy of

Contributions can be paid either as a lump sum or by regular monthly or annual payments. Contributions can be ling or US dollars. Both the at the same level or less. single premium and regular Alternatively, if the expatriate premium endowment policies can be linked to any of the company's other 13 funds, in-cluding the newly launched

managed fund.

The regular premium contract can also be linked to its new guaranteed fund. A single premium guaranteed growth policy is another option. offshore policy would be retained. A holder would, how-

Minimum contribution to the new retirement plan is £100 or \$150 a month, or \$1,500 a year. The minimum lump sum payment is £1,000 or \$1,500. Benefits can be paid in any country without tax deduction at source, either as a lump sum or regular income or as a combina-tion of both. The fund, which is offered by the company's insurance subsidiary based in Bermuda, is administered by Save & Prosper (Jersey). Those returning to employ-

ment in the UK before retire-

ment have the option of either

least one year—or of retaining their offshore policy. Future

of receiving tax free income from the policy instead, on cashing in their policy-provided they have held it for at returning to the UK.

the subject.

contributions can then be paid

into the company's UK Personal Retirement Account without having to pay any initial charges if the contributions are

is returning to the UK for good, and the premiums on the

offshore policy were paid as a regular savings plan, then those

contributions will count towards the qualifying 10 year period of a UK policy if the expatriate

takes out a substitute UK qualifying endowment policy.

Although no further contribu-tions would be made to it the

ever, be subject to any capital

gains which accrued to the fund

after taking up residence in the UK. The same tax liability

applies to the expatriate returning to the UK only temporarily.

held the offshore policy for seven and a half years it can

be cashed in for a tax free lump

on return to the UK. If the policy has been held for 10

years, the holder has the option

M. H.

However, if the expatriate has

whether Framlington can overcome the late entry to the European markets. The accent will be on

The initial portfolio will be split 30 per cent each in West Germany and France, 15 per cent in the Netherlands, 10 per cent Italy, 8 per cent Switzerland and the remaining 7 per cent spread among Austria, Belgium, Scandi-navia and Spain. This means an overweight position in France, Italy and the Nether-

and strong balance sheets -very much in the Framlington

Conveyance costs less

YOU CAN now sell one house and buy another for as little as £25, proclaims the front cover of a new edition of Bradshaw's guide to DIY

house buying, selling and conveyancing. And that includes the cost of buying the book, according to the author and publisher, Joe Bradshaw, a smaller companies, on long term growth, quality earnings well-known' campaigner on

> The book aims to provide a detailed guide on how to buy and sell a house without using an estate agent or solicitor and is certainly written in a lively style. Priced at £5.25, it is obtainable either from bookshops or direct from the publisher, Castle Books, Blackdown, Learnington Spa, for £6.45

Risks in balance

ONE REASON for investors using unit-linked life contracts is that they want some adventure in their investment and are willing to take some risk if the ultimate investment reward is commensurable.

The latest development in this area is for life companies to offer managed funds with varying degrees of risk and reward. The investor decides on the type of fund and the life company does the rest.

The latest in this field is Irish Life, which under its new Universal Investment Account offers UK investors a choice of three managed funds under the rather staid titles of Security Fund, Balanced Fund, or Opport-

The balanced fund follows the more normal managed yield fixed interest and property.

The opportunity fund for

tunity Fund.

the adventurous investor invests worldwide aiming at growth potential companies. Irish Life has also followed the lead of certain other life companies in recognising that they do not have a monopoly of investment expertise. The use of investment management groups with particular areas of expertise is for cheaper than setting up in-house operations. So Irish Life has linked up with unit managers from GT, Henderson, and Western Trust and

Back the residential market ANYONE attracted by the idea be made at any time in multiples carried out by estate agent and of investing in a second home, of £500. A bond can also be surveyor John D. Wood, while

tives, so falling outside the Rent Acts. These properties, worth an average of around £300,000, will be mainly in the

Property selection will be

compares with £235 for an £8,000 bank bridging loan over the same period for which you will be charged at least three

for an additional premium.

The cost of a bond for a 10

per cent deposit on an £80,000

house, with acompletion date of

eight weeks after exchange of

percentage points above base siderably cheaper than borrowrate and an arrangement fee ing the deposit from the bank. in this example £50, although Having improved its condition on the anything up £150.

ons, the Lombard/Eagle Star Legal and General's Property

tions, the Lombard/Eagle Star scheme offers some advantages. Deposit Bond, although also It is now available to first time buyers and the premiums have cheaper than the bank, is more restrictive. It is not available been reduced substantially-in to first time buyers: you must some cases, more than halved. be selling another property; the exchange of contract dates must Its Deposit Guarantee scheme operates on a sliding scale of coincide; and your completion premiums. There is no ceiling date has to be within six weeks on the size of the bond beyond after that.

Its premiums are fixed at per cent of the deposit - £80 for an £8.000 deposit - and there is a ceiling of £15.000.

M. H.

much as £20m.

This poor prospect is reflected in the offer price, and in any case, with sterling now under renewed pressure as oil prices slide, currency unease is not likely to be foremost in investors' minds.

A hurst of buying of pharmaceuticals shares during the past few days has also been a happy accident as it makes Wellcome shares, which are being sold on a price/carnings mul-tiple of 16, look quite cheap compared with Glaxo and Barring a major fall in the

reversal in the dollar since

then may mean profits more or less unchanged this year.

after currency losses of as

market or a surge in sterling against the dollar there should be no shortage of takers for Wellcome shares. And this time the stags are not neces sarily to be excluded. Unlike recent privatisation issues when stagging had been strongly discouraged, with multiple applicants threatened with prosecution, the Wellcome issue contains no such warning. profits to the movement in However, as the real benefits dollar/sterling exchange rates. from investing in Wellcome are more for the long term than the short, this is not an issue likely to bring the stags out in full force.

Lucy Kellaway

Interest Rates

Banks see red

Christmas spending sprees imposes a fee of 25 a quarter come home to roost and year of anyone who dips in the red. However, though they will still thouse the January "crists" as goodies bought at Christmas loom large on the monthly statements on the monthly statements. The cost of unauthorised

overdrafts has soared over the past year or so and, contrary to popular belief, you may well be better off paying interest to the credit card company than run-ning into overdraft to clear your credit card account. There are two kinds of over-

drafts: those you negotiate with your bank manager and those you help yourself to, which includes dipping in the red on your current account at the end the month. You will be charged between 1 and 3 per centage points above base rates by most banks for a negotiated overdraft-between 5 and 7 percentage points by the Midland.

At Lloyds Bank, the Co-opera-tive Bank, and TSB England and Wales these fees are at the managers' discretion and are often waived entirely. The three other major clearers, however, continue to charge arrangement fees—1 per cent of the overdraft limit, with a minimum of £10-at the Midland, 1 per cent with a minimum of Guarantee your deposit payment £5 at Barclays and a sliding scale from 1.5 per cent for the smaller overdraft to 0.175 per cent for very large ones with a minimum of £15 at National Westminster Bank. -

But an authorised dip into Co-operative Banks as much as newed.

JANUARY IS traditionally a 27.5 per cent. NatWest charges difficult financial month when less 24 per cent but also christmas spending sprees imposes a fee of £6. a quarter either £100 a quarter or are overdrawn by £10 on any five days in a month.

It was not always thus. Banks used to charge 1 or 2 percentage points at most above the authorised overdraft rate, the highest rate for which was also lower at a per cent. But in the last year or two and for no declared reason banks have sharply upped the penalty,

The banks justify their move is somewhat muralistic tones arguing that the new rates are intended as "deterrent" rates aimed at discouraging customers from helping themselves to an overdraft.

This is very much the atti-tude at the Co-op Bank, pioneer of free banking, which as an added "deterrent" has just recently increased the rates on its unauthorised overdrafts from 12.5 to 15 per cent above base rate in line with the Midland's. The same now goes for the TSB which until the end of last year was the most lenient charging its unauthorised borrowers only 7 percentage points above base rate. This has now been increased to 12 per cent.

But if banks are genuine in the red at the end of the month their desire for people to have will cost you a swingeing 12 authorised rather than unor even 15 per cent over base authorised overdrafts they rate. National Westminster might encourage them to do so Bank currently charges you 24 by dropping those negotiating per cent; Barclays, Lloyds and the TSB currently charge you the TSB currently charge you are an overdraft—which can 24.5 per cent; the Midland and run for 3 to 12 months—is re-



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☐ The Company has been formed mainly with the intention of ☐ The Directors have considerable experience of this type of business developing and operating freehold public houses. It has already commenced trading from a free house in Islington. BES tax relief forms fror the current financial year) should be available in May, 1986.

☐ The terms of the Offer are favourable - net assets per share will be 93p on the basis of the maximum subscription then on the minimum subscription of £ 750,000. The Founder Shares held by the Directors do not benefit from enhanced conversion rights until the value of the Company has increased by 50% and are then entitled to 40% of any further

experience of this type of business and have made a substantial imancial ment to the Company.

D Public house revenue has historically been a relatively stable

☐ The subscription list is now open. and will be closed as soon as the maximum subscription is achieved.

Copies of the prospectus with application form attached may be John Spiers, W. Greenwell & Co., Telephone: 01-236 2040. Bow Bells House, Bread Street, London EC4M 9EL.

contract, would be £47. This on exchange of contracts. Should you not proceed with cash, you can try for a bridging your purchase and the deposit loan from your bank-expenbecomes due, this then is paid out by the insurance company. sive and not always easy to get -or perhaps pass on the depo-

The cost of this bond is con-

you want and been granted a Personal Assurance. mortgage but the problem re- In both cases, you pay a mains of paying the deposit usually 10 per cent—before exchanging contracts. If you do not have the ready

sit paid by the person buying your house if it is high enough. These, however are problematical and now there is an easier way: you can take out a singlepremium insurance bond that guarantees payment of the deposit.

Two such schemes are being launched in England and Wales by major insurance companies after test marketing in some areas of the south-east.

Lombard Continental has re- 10 per cent of the purchase launched a scheme first intro- price and its life has been exduced early last year and is now

£1.000 buy a stake in residential

property through a new fund

Schroder Financial Manage-ment's Residential Property

Bond will be only the second

fund to invest in residential

rather than commercial property the first was Henderson Prime

Investors who are convinced

that property values will con-

tinue to appreciate can opt to have all their investment placed

in units of the Residential Property Fund. Those who

prefer to spread their invest-

ments can do so between any

other of the group's life assur-

Additional investments can

ance and pension policies.

being launched today.

Residential Property.

tended from a completion date being joined in this venture by of six weeks to one of eight Eagle Star. At the same time, weeks. If you fail to complete Legal and General is extending your purchase within that time,

policies, subject to a minimum of £1,000 per policy.

The fund's investments will be directed at prime residential properties suitable for letting to "substantial" corporate tenants for use by their senior execuup-market areas of London such Chelsea and

as Mayfair, Knightsbridge. They will be let on leases of one year or more, with annual rentals set at around 10 per cent of the property's value up to an expected maximum of £1,000 to £1,500 a week.

by Jackson-Stops undertaken and Staff, also a specialist in residential property. Tenants will be selected by Home From Home Property Management Service, which will also negotiate leases and manage the let property. Overall responsibility will however, rest with Schroder Life Assurance.

The inițial management charge taken off any investment will be 5 per cent, after which there will be an annual charge of 1 per cent of the value of the fund. Other charges, including letting and management fees, will total 20 per cent of the rental income.

1985/6 TAX RELIEF BUSINESS EXPANSION SCHEME FUND WHAT THE FUND OFFERS INVESTORS

1. The prospect of tax relief under the BES rules

at the investor's highest marginal rate of tax.

2. The opportunity to invest in a spread of

investments in unquoted companies.

3. Monitoring of all investments by a panel of

Applications will be dealt with in strict order of receipt and should reach us not later than 1st March 1966. The minimum investment is \$2,500 and investment can be made in multiples of £500 up to a movimum of £40,000. Full details of the Leading Ladies Fund are contained in the Memorandum which can be obtained by telephoning

0293-540223/4/5/6 or by refurning the completed coupon. Potential investors should recognise that investment in uniquated companies corries a high risk as well as the chance of high rewards. Before deciding to praceed with application, individuals should take financial advice taking account at the isks involved and their own financial circuinstances and lox position.

Applications to subscribe will be accepted only on the terms and conditions contained in the Memorandum To Rodney Van der Maien The Leading Ladies Fund,

Spencer House, 26-30 Spencers Road, Crawley, West Sussex RH11 7DA Please send me a copy of the Leading Lodies Fund Memorandum

ADDRESS

Business Expansion Scheme

Plenty of choice for investors

Expansion Schemes, designed to catch investors before the end of the current tax year in April,

choice available among the latest batch, which range from manufacturers of a new type of domestic waste disposal unit to a group already well established in the leisure industry.

The company wanting to manufacture and distribute in

Europe a waste disposal unit designed in the US, is Hydro-Tech (UK), based in Corby. The unit, called Wastemate, was developed by engineers in the NASA space programme. It requires no electricity; it runs solely on domestic water pres-

It is seeking to raise £750,750-by issuing 385,000 new 5p shares at £1.95 a share. Mini-mum investment is £975. Sponsors are Bentinck Investment Management, who have an option, until January 1995, to acquire up to 2 per cent of the company at only 97p per share.

Tomorrow's Leisure, formerly Gamehost, wants to enlarge its capital base by selling 4.8m shares at 25p each. The com-

Second helpings

INVESTORS IN Business Expansion Scheme companies have to take the long view on their money. To obtain tax relief under the BES they have to hold on to their in-vestment for at least five years, and in most cases they will spend those five years, without much of a clue on the value of their shares. Many companies undertake

to arrange for an over-the-

counter share dealer to pro-

pany was formed to take over the leisure interests of the Norstead Engineering Services group, which include an hotel, 10 snooker clubs, a golf centre There is a wide variety of and a country park. The money raised will be used to develop these leisure activities. The offer is spon-

sored and underwritten by Guidehouse Ltd, which has been given options over 240,000 shares at the offer price, exerciseable any time during the next seven years. In addition to receiving a fee for the offer, Guidehouse will receive a com-mission of 5 per cent of the subscription monies and an underwriting commission of 5 per cent.
Minimum investment is 2,000

shares and the closing date is March 5, unless the offer is fully subscribed before that date.

City and Capital Hotels is

looking to raise £3m to finance the purchase and refurbishment of small hotels in central London with between 15 and

The minimum amount required of £1m is underwritten. The executive directors have

vide facilities for investors to buy and sell if they wish, but any dealings under these arrangements are likely to provide only the sketchiest of guides to their real market value. There is always the consolation that the shares have to go down substantially in value before the effects of the tax relief are wiped out, but many investors would find it comforting to have some firmer indication of what their BES investment

Some companies that have already raised money under the BES, however, are now coming back for a second

is worth.

invested £50,000 at the offer price. As an additional incentive the promoters have been allocated "A" shares entitling them to 30 per cent of the increase in net value of the

company, but only after investors have taken a priority yield of 5 per cent a year (27.6 per cent growth on their gross investment), and only at the end of five years. Minimum invest-ment is £3,000, and the offer closes on February 24. Sponsors are Johnson Fry.
Private Medical Centres has Sir Gerard Vaughan MP, ex-Minister of Health as its chair-

man. The company plans to set up rehabilitation centres in

It is hoped to raise as much as £5m, but a minimum of £1.45m has been underwritten.
As with the other Johnson Fry-sponsored scheme, the pro-moters have been allocated special "A" shares which be-come more valuable only after five years, and if the value of the company has increased by 61 per cent. Minimum invest-ment is £3.000 and the offer closes on February 24.

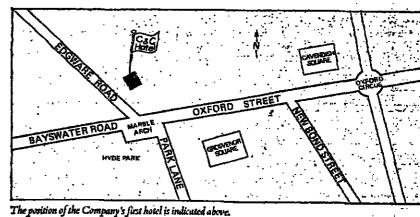
John Edwards

helping. And for last year's investors in one of these com-panies, Country Gardens, the new share issue provides welcome news of a 50 per cent gain. Country Gardens raised

£1.5m last February, with shares priced at 50p. Its new prospectus offers shares at 75p. The gain arises because its properties have appreciated in value since they were bought. Although the company still has £500,000 of the money it raised last year in the bank, its two garden centre sites are now valued at

George Graham

A BES INVESTMENT IN **SMALL, PRESTIGE CENTRAL LÓNDON HOTELS** WITH TAX RELIEF IN 1985/86



City and Capital Hotels pic Offer for Subscription of 3,000,000 Ordinary Shares of £1 each.

* Refurbishment and operation of small well-sited Central London Hotels.

* Emphasis on beautiful decor and furnishings. Bed and Breakfast only.

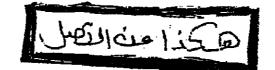
* Experienced property and

hotel management team, personally investing £50,000. * Low issue cost and £1 million of subscriptions

underwritten. * Substantial asset backing to give security and growth.

To obtain a Prospectus or information about other Sponsored by asset-backed BES investments, contact: Johnson Fry & Co. Ltd... 01-499 5066 Princes House 01-434 1416 36 Jermyn Streer London SW1Y 6DT Licensed Dealer in Securities - Member of NASDIM

This advertisement is not an invitation to invest in shares



NOT FOR the first time in its recent history, the London stock-brokinfi firm James Capel has

provoked, over the past fort-

night, press comment about its

The 211-year-old firm, which

finalising an agreement to take

a 20 per cent stake in Allied

Provincial Securities, an amal-

gamation of five provincial

future plans.

Buy-out right is third option

Eric Short explains a third option now available for maintaining pension rights accrued with a previous employer

math. 1 1888 12

The second secon

WHEN employees change jobs, they now have a third option in maintaining the pension rights accrued with their previous employer's scheme.

They can take their transfer payment and invest it in a Section 32 buy-out annuity from a life company.

ployees on maintaining their Secretary, Norman Fowler has pension rights when they change been liberalising pensions, the jobs. They can either leave revenue and the Occupational those rights in their old scheme Pensions Board has been getin the form of a deferred pen-sion. Or they can take the cash Thus empl equivalent of that deferred pension—known as a transfer value payment—and take it either to their new employer's pension scheme or into a buy-out

A buy-out annuity is a lump sum investment where the money is accumulated to the date of retirement and then the sum used to buy an annuity.

It is a money purchase arrangement. But there are complications. The buy out annuity is intended to offer an alternative to a deferred pension. Thus, the form of the on a profit basis, added each benefits under a buy-out must year.
conform to the benefit pattern. A unit-linked contract where in the employee's old pension scheme. This is not an easy task because the deferred pension operates on a defined benefit basis.

Thus the retirement date on as determined by the retirement age in the old scheme, with similar provisions for early retirement.

John Edwards on a new

The new Flexible Transfer

the PETA plans, of giving a dis-

way to keep

the taxman at bay

provisions must be replicated. There is therefore, not the same flexibility with benefits as with a single premium selfemployed pension contract.

The trustees of the old pension scheme are responsible for investing in a buy-out annuity on instructions from the employee. But they have to check that the benefits under the buy-out conform with their scheme.

Until recently the Inland Revenue was fairly relaxed on Previous articles have de-scribed and discussed the other ing up on the trustees' respon-two options available to em-sibilities. While Social Services

> Thus, employees lured into taking a buy out by a salesman must expect some delay if the contract is not one that the trustees have already checked out with the life company.

However, employees have a wide choice of contract in which to invest their transfer money. O A with-profit contract where there is a minimum level of guaranteed benefits that are increased each year with bonus additions.

 A deposit administration scheme which operates as a deposit account with interest,

investment, is made in units of the underlying funds, usually with switching facilities.

Each type of buy-out plan has its own risk and reward factor which employees need to underthe buy-out has to be the same stand when making their choice. In this respect, the quotations put out by life com-panies give no guidance whatever on risk and reward.

Making the least of CTT

companies have recently come



current bonus rates. The equivalent pension is shown using the life company's current annuity

This practice of using current rates has come under increasing criticism, since life companies can only continue declaring such bonus rates if interest rates remain high and their investment departments can earn very high yields on the funds.

Since the choice of life company given by the salesmen is influenced to a greater or lesser extent by the bottom line figure in a quotation, it is a matter of great concern that the quotations are not misleading.

Unit-linked quotations illustrate benefits on given yield assumptions (usually 10 per cent and 12 per cent or 14 per cent)-rates that are standard among linked life companies irrespective of the underlying

The current position on quotations and illustrations has been under review by the life assurance industry and has now been taken on by the Marketing of Investment Board Organising Committee (Miboc) as an essential part of advertising.

But until this august body reports, employees interested The Guaranteed Minimum On a with-profits quotation in, or being recommended, buyPension (GMP)—the equivation the employee will be shown out annuities need to look at
lent Serps pension—accrued the expected cash sum at the
under the old scheme must be retirement date assuming them fully explained.

Stockbrokers' services

'People's market' hots up

announced in 1984 that it was being a cquired by the Hong Kong and Shanghai Banking Corporation, excited fresh interest with the news that it was clients. But, at least initially. the extra business they are pitching for will probably still come from high net worth individuals who have become more

brokers. place their savings. The move was seen in some quarters as a sign that James
Capel would play a prominent
part in a battle with other leading firms like Hoare Govett and aimed at expanding its list of Quilter Goodison for the atten- 5,000 currently active private tion of a "people's market" of clients (the average portfolio small savers drawn into invest- size is about £120,000.) Two ing in equities by develop- recent trial press advertisements ments like the British Telecom drew 200 enquiries from the

· FINANCE & THE FAMILY ·

share issue. The reality may be rather be stepped up in April, have a £100.000 investment in Debenham's London store, different. Firms are selling But Mr Brian Tora, the firm's minimum — though clients with there will be no massive flood themselves more aggressively, new business development exe- as little as £500 to spare can of investors into equities until

A CHANCE to invest in commercial property, with a lot of financial help from the Government, is the idea behind the Third Property Enterprises Trust The trust which claims to be the only fund of its kind. takes advantage of the special tax incentives given for investing in the 25 enterprise zones under which 100 per cent capi-tal allowances are given on

property.
Funds invested in the trust will be applied entirely to buy-ing properties on which the 100 per cent capital allowance is available. Trust members receive their share of these allowances, making their investment deductible from their income for tax purposes. The net result is somewhat similar to

buildings other than residential

discerning about where they

size has been cut from £100,000 to £20,000.

public. Marketing is likely to

James Capel frequently tops league tables of the best City investment analysts, and will emphasise research expertise to for its discretionary management service, for which an investor turns over a portfolio for complete management by the firm. The minimum portfolio

for customers wanting to manto get advice from a broker, will

offering new services to attract cutive, says that promotional invest in one of James Capel's greater numbers of private work will be low key.

Life insurance experts are also being recruited, to add to the firm's financial planning ser-

vice The limitation of increased appeal to potential customers marketing by brokers is that it will not alter the basic economics of investment (even if the Big Bang and the abolition of there is a fall in real inter-Stock Exchange minimum commissions next October dramatically cut the price of share transactions). According to Mr Paul Killick, head of private client services at Quilter Goodi-



Brian Tora

Hoare Govett, for instant has added some 6,500 priv: clients to its books since 199 when it becan marketing svices like its no-frills Dealage their own portfolio and also son, which has claimed suc- call service for taking ord. cesses with its new share shop from investors over the te

Nick Bunk

Property Trusts

Tax-zoned to advantage

tax claimed by the investor is likely to be processed far more

taken out to finance the invest-ment. So a high gearing can be achieved relatively cheaply.

result is somewhat similar to a Business Expansion Scheme, although it operates very differently and is said to have some significant advantages.

The initial property yield is the initial property yield is expected to be between 6 and deferred as long as the shares 6.5 per cent, equivalent to are retained. If this period 15-16-25 per cent for a 60 per some significant advantages.

The initial property yield is expense written by London & Edinburgh programme into property have financial services.

The initial property yield is expense written by London & Edinburgh programme into property have financial services. It is essentially a long-term

For example any refund of avoided altogether. So the plan running costs, this would come ax claimed by the investor is is for the trust to have a life down to between 12.25 to 13.5 of 25 years before the portfolio quickly, since the main qualifying feature is that the property
returned to investors free of 0.6 per cent annually of the is in an enterprise zone.

At the same time, the rental gains tax is payable. If the income, paid to investors on a quarterly basis, can be offset against interest paid on a loan charge to the Inland Revenue

Teturned to investors rever to the same time. The original trust fund. Total annual expenses, including fccs, are estimated at £11 per £1,000 per shares of £1,000 each will be charge to the Inland Revenue

Shares of £1,000 each will be capital trust fund. Total annual expenses, including fccs, are estimated at £11 per £1,000 per shares of £1,000 each will be capital trust fund. Total annual expenses including fccs, are estimated at £11 per £1,000 per shares of £1,000 each will be capital trust fund. Total annual expenses including fccs, are estimated at £11 per £1,000 per shares of £1,000 each will be capital trust fund. Total annual expenses including fccs, are estimated at £11 per £1,000 per shares of £1,000 each will be capital trust fund. Total annual expenses including fccs, are estimated at £11 per £1,000 per shares of £1,000 each will be capital trust fund. based on your tax position at issued, with a minimum invest-the time, which could work to ment of £5,000. Unlike the BES your advantage if you have there is no limit on the amount

retired or moved abroad.

per cent. The managers' fees

qualifying for tax relief.

pany of Property Enterpr Managers. LET has agreed to und

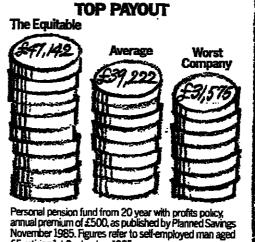
write sufficient shares to enathe trust to be formed a will also finance sustable. vestments that become avaita! for the trust before the recu of subscriptions, subject to fee of 2 per cent payable by developer. The offer will chon April 4 or when subset tions received equal the to cost of qualitying properties be purchased by the trust.

The first two Properly En! prise trusts launched sit the company was formed 1982 to promote the idea rais issued, with a minimum investment of £5,000. Unlike the BES 53.25m—the first £0.5m and 55.25m. LET acquire Second £2.75m. LET acquire Management of £5.25m. Property Enterprise Manac

Ignoring this advertisement could cut your pension in half.

When it comes to their pension, many otherwise shrewd people make decisions which defy common sense.

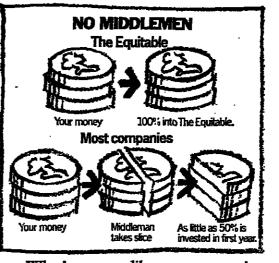
Not that it's easy to decide how to get the best results from the pension you may



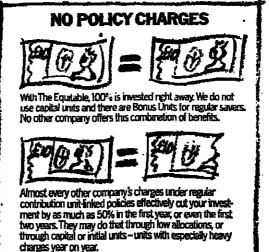
65 retiring 1st September, 1985. You may want to bear in mind that The Equitable Life is unusual in not pay-

ing commission to brokers or other middlemen. Which is why these people may be

reluctant to recommend The Equitable. So you'd be wise to make sure you get some figures from us.



What's more, unlike most companies, we invest every penny of your unit-linked contributions. We have no policy charges and we don't use capital or initial units with high annual fund charges.



In all respects, you'll find that The Equitable's efforts on behalf of policy holders consistently give unrivalled results.

One reason is that, unlike most of our competitors, there are no shareholders to nibble away at the profits.

innovation and fairness to live up to. THE WORLD'S FIRST

And, as the oldest mutual life office ir

the world, which first put into practice the

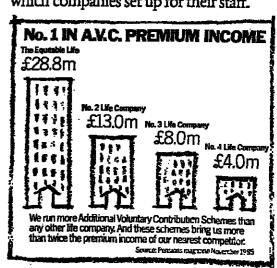
sound actuarial principles all other life

offices have copied, we have a reputation to

The result is that The Equitable now has funds under management totalling over £2,000 million.

FOUNDED 1762

Our standing with those professionally concerned with pensions is demonstrated by our record of success with Additional Voluntary Contribution (AVC) schemes which companies set up for their staff.



We admit that deciding which pensions company to go to is difficult.

But remember that your choice can mean the difference between tightening your belt when you retire, or continuing to enjoy a high standard of living. Examine the evidence of this advertisement carefully.

We're certain you'll find there is no company that can offer you as much as The Equitable Life.

So, for the best in pensions, write to The Equitable Life, FREEPOST, 4 Coleman Street, London EC2B 2JT or call us direct on 01-606 6611.



The Equitable Life

You gain because we're different.

Offer for subscription under the terms of the **Business Expansion Scheme**

Sponsored by

GUIDEHOUSE LIMITED

of up to 4,800,000 Ordinary Shares of 20p each at 25p per share payable in full on application

TOMORROWS

LEISURE PLC an established, profitable, asset

backed leisure group The minimum subscription to the Offer has been under-

written. The issue will therefore proceed and shares will be

Tomorrows Leisure PLC, owns and operates an hotel, 10 snooker clubs, and a golf centre. In addition the Group manages another golf centre and has formed a joint venture with a local council for the management and further development of a leisure park located on the

outskirts of London in Essex. For the year ending 31st March 1986 the Directors are forecasting pretax profits of £170,000. The money raised will be used to develop existing activities. The Managing Director is subscribing for 240,000 shares under the Offer at the Offer Price. The shares are 91% asset backed. Loan facilities may be available to investors.

The Offer will close as soon as the Offer is fully subscribed or at midnight on 5th March 1986 unless extended prior to that date.

Copies of the Prospectus, on the terms of which alone applications for shares may be made, may be obtained from Guidehouse Limited at:

Guidehouse Limited

allotted.

Vestry House, Greyfrians Passage, Newgate Street, London EC1A 78A Tel: 01-606 7001

Please send me a copy of the Prospectus for Tomorrows Leisure PLC.

10%(PA) **GROSS EQUIVALENT** 4.20% (for basic rate tax payers) General Portfolio

The discount value is calcu- that the PETA plans are lated by deducting according vulnerable to attack by the to actuarial tables taking into Inland Revenue at some time account the age and sex of the in the future because of their A NEW kind of scheme to miti- investor, the likely amount of artificial structure—with the gate the amount of Capital income to be paid out from premium on the terminal transfer Tax payable on death the original fund. Thus, on in- assurance part being fixed too is being introduced by Sun Life vestment of £10,000 made by a low and the value of the Assurance. The company claims that its Flexible Transfer Trust, based on a 5 per cent income in the company claims based on a 5 per cent income in the company claims based on a 5 per cent income in the company claims. low and the value of the pure It has, therefore, come up

with discounted gift values, to being paid out would be launched on February 3 is 19,000 in view of the reduced be launched on the popular life expectancy. with a different arrangement. Under its plan, the investor takes out a special unit-linked investment bond on his own PETA (Profit Endowment and It is this discounted figure Terminal Assurance) plans and that is used to decide the size life. This is held in a trust, much less liable to attack from of gift or transfer being made, with the investor as a trustee, the Inland Revenue.

Under existing legislation £3.000 The trust provides for regular Trust is a refinement on the Sun CTT: £67,000 in any 10-year through part surrender of the Life's first CTT mitigation period is charged at a nil rate units in the bond every year scheme introduced in March, of tax but included in a run- at an agreed rate to provide at an agreed rate to provide which aims to achieve two ning total with any other gifts, objects—a growth in the capital and anything above £67.000 is income.

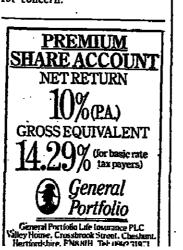
sum invested in a single-premium unit-linked bond held outside the estate, and the pro-vision of "income" for the in-vision of "income" for the in-restor if required. However, the demand for PETA policies The level of surrenders, which can be an equal amount each year or rise by a certain percentage in line with the growth in value of the units. vestor if required. However, "gift" liable for taxation. So this fails to provide an additional advantage, included in has grown strongly and several has to be agreed at the beginning and they continue while units are being allocated to the bond or until the death of the investor.

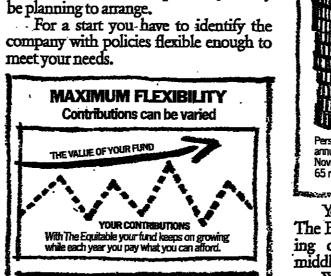
counted value of the sum in to challenge the market invested for CTT assessment leader, Legal & General. The remainder of the bond accumulates in value and is pay-able to the beneficiaries. How-Sun Life believes, however, ever, the agreed surrenders discounts the value of the bond as a gift for CTT purposes on a scale, similar to PETA plans, agreed with the Capital Taxes
Office of the Inland Revenue.

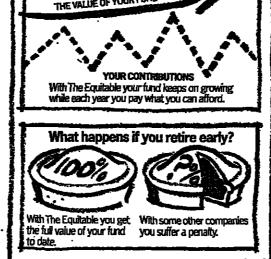
The minimum amount that can be invested in the Flexible Transfer Trust, with discounted gift values, is £10.000. Other than to provide regular pay-ment, the bond has no surrender value that consequently there is no liability to income tax on the death benefit. On the death of the investor the beneficiaries fund part of the trust equals 101 per cent of the bid value of the remaining units held and is payable free

Meanwhile, the M & G Assurance announced this week that it was launching a PETA plan, which is describes as Preservation of Estates Through

Mr Richard Cockcroft, managing director, said that the plan was entirely tax safe since the Capital Taxes Office made an agreed valuation at the time of the gift and the tax position on receiving income was also made clear in advance. Several thousand PETA plan policies had been sold successfully with-out being challenged by the Inland Revenue. The recent case, due to be heard by the Special Commissioners, which had attempted to exploit a special loophole, had in fact been settled using the discounted values applied for PETA plans and was no cause for concern.







And you must be sure there is a broad range of investment options.

WIDE CHOICE Managed Fund North American Fund

Property Fund Far Eastern Fund Money Fund ₹ Gilt & Fixed Interest Fund

Special Situations Fund : Fund of Investment Trusts High Income Fund

Equitable Pelican Fund With profits policies

Next, you must satisfy yourself you won't be pouring money, year after year, into a company which will pay out a fraction of what could have been achieved elsewhere.

Of course the past cannot guarantee the future, but you must be certain the company's policies have a record of delivering outstanding performance.



Vanguard A Double First!

For the second year running, Vanguard Trust Managers won the Observer "Small Unit Trust Group of the Year" Award.

The average gain of our four funds was 36.7% - better than all other unit trust groups.

We have also been awarded the Money Management "Small Unit Trust Management Group of the Year" Award for 1985. We were the only group, by their criteria, to have achieved 100% above average performance over one and three years.

A contributory factor was the performance of Vanguard Special Situations Trust, the only Unit Trust to have been one of the ten best performing UK Growth funds over the last one, three, five and seven years.

Short term performance is often a fluke - long term performance is not.

JANGUARO

A Proven Performance Record

Over one, three, five and seven year periods, the trust is among the Ten best performing U.K. Growth Funds*, registering gains of 35.2%, 166.6%, 284.3% and 393.7% respectively. No other U.K. Growth Fund has managed to perform so consistently.

*Money Management Jigures to 1st January 1986. Offer to bid, including net reinvested income.

Investment Objectives

The investment policy of this Trust is to provide capital growth from an actively managed portfolio consisting of shares of smaller companies and carefully selected special situations.

These could be companies that have fallen on bad times, but are now turning round; they could be companies that look ripe for a take-over or perhaps companies with new, innovative products.

We also have the power to invest up to 25% of the Trust in USM stocks, as well as in traded options in

General Information

Upon receipt of your application form a contract note will be sent, followed by a cortificate in \$5 days. Unit, prices and yields are quoted in the Financial Times. Units can be sold back to the Managers at not less than the minimum bid price calculated to a formula approved by the Department of Trade. The Trust is author the Department of Trade and constituted by a Dood dated March 1971 (as amended). An initial charge of 5% is metaded in the office price of units, from which remuneration is payable to qualified intermediaries at remineration is paymore to quantes intermeentaries at rates available on request. The annual charge is set at #j's pins VAT of the value of the Trust (as opposed to a maximum of 1% permitted in the Deed). This is deducted from the gross income and is allowed for in the current gross yield. Distributions will be paid twice yearly at the end of February and August.
Trustee: Royal Bank of Scotland ple, 13/17 Old Broad

Street, London EC2, Managers: Vanguard Trust Managers Limited, 65 Holburn Vinduct, London EC1A 2EU, telephone 이스타를하다가, Member of the Unit Trust Association. This offer is not available to residents of Eirc.

accordance with the guidelines set by the

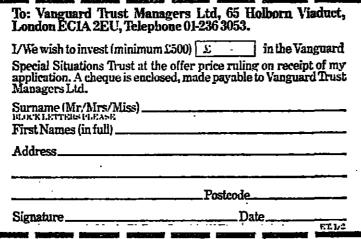
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John Edwards asks four companies to advise

• FINANCE & THE FAMILY •

A retiring portfolio

THE FOUR experts we asked RETIREMENT can be traumatic, involving a whole change in to advise the reader on his lifestyle and the need to adjust your financial priorities. So we retirement financial strategy asked four separate companies to advise a reader who wrote were London stockbrokers receifly, asking what to do when he retires in June at the age Greene & Co, personal finance advisers Noble Lowndes,

advisers Noble Lowndes, insurance brokers and invest-ment consultants Towry Law. and personal financial planners Marlowe Sachs. They were each given a copy of the letter (with the name deleted) and asked what they would do.

They all agreed on certain points—such as keeping the National Westminster Capital Trust and Save & Prosper UK equity fund holdings. Also redeeming the matured, and shortly to mature, National Savings certificates. Greene & Co recommended that the reader should not invest in any further isue of National Savings, for the time being at least, but Noble Lowndes suggested buy-ing the third index-linked issue of National Savings certificates and Marlowe Sachs saw index-linked gilts as a foolproof way of maintaining capital in line with inflation over the next few

There was considerable divergence, however, on how the capital released by the sales and the expected lump sum should

GREENE & CO suggested that since the reader requires an income it would be best to build a portfolio of investments made up of a mixture of short-to-medium British government stocks, and higher yielding leading equities.

Assuming there is £30,000 available for investment, it is suggested that some £10,000 throughout the year.

These are Exchequer 10 per cent 1989 (dividend dates February/August); Treasury 8 (June/December); Treasury 10 per cent conver-tible 1990 (April/October); Treasury 10 per cent 1992 (February/August) and Treasury 101 per cent 1992 (May/November).
These stock-

These stocks complement the reader's existing holding of Treasury 14½ per cent 1994, but the company warn that this stock must not be allowed to run to redemption as there would be a reduction of about 25 per cent in capital value at that time. Consideration should, therefore, be given to selling this stock around the time it becomes a "short."

delay before buying is recom-

allocated to other high-yielding while not attracting much annually added quarterly. It future appreciation,

of 65.

"I would like your advice on how best to maximise an income from approximately £30,000 of our savings, allowing for infiation," the letter said. "Alternatively you may like to consider the whole of our investments.

"I should mention that we shall be spending about £5,000 on a new car, with money drawn from the building society.

"We live in our own house which is valued at about £48,000."

A statement of investments, savings and projected income, enclosed with the letter, showed the following:

NATIONAL SAVIN Issue	Date of redemption	Holding
14th	1983	1,000
19th	March 1985	3.000
	March 1986	7.000
23rd	1987	2,100
24th	1987	3,050
26th	1988	4,650
	1989	2,200
28th	1989	4,500
30th	1990	750
	Tota	£28,250

Save and Prosper UK Equity Fund Save and Prosper Investment Trust 4,146 units BUILDING SOCIETIES: Guardian
Local societies (emergency funds) INSURANCES: Endowment insurance maturing 1986 PENSIONS (self and wife): £4.500 per annum Occupational pensions £1,421 per annum DHSS—wife
DHSS—self

selected in this category are BPCC, Commercial Union, Dalgety, Rothmans and Shell. MARLOWE SACHS said it was

Anticipated lump sum on retirement

National Westminster Capital Trust

reluctant to make too firm recommendations knowing some additional facts —the age of the reader's wife, what level of income they are seeking and whether they are trying to protect capital for themselves or beneficiaries.

However their initial nesponse is to assume, bearing in mind the joint pension entitlement of £7,900, that they want to maximise tax-free income today and make arrangements to achieve capital growth for the future.
So it is suggested, that the

reader should use his matured National Savings as income for The second £10,000 should be the next two to three years, put perts, although once again some remaining £40,000 to produce capital growth.

fields, Inchcape, Midland Bank general managed unit trust or March all the 19th issue hold be taken while providing free-nd NEI. linked investment bond could ings will carry the common dom from CTT on both the The final finance should be used. Index-linked gilts, interest rate of 8.52 per cent initial sum invested and all

should be put into five UK stocks, but with good recovery attention during a period of Government stocks providing a potential and more aggressive falling inflation rates, provide good spread of dividend income school the root and additional to the root of t taining capital at a time when inflation might well rise again.

£7.000

A well-chosen unit trust portfolio will, with the limited amount of capital available, allow for the planning of inwithout vestments to produce annual realised capital gains to support income up to the fax-free capital gains allowance of £5,900 a

NOBLE LOWNDES was also worried that it did not have sufficient information to make firm recommendations, but made certain assumptions in deciding on its investment strategy. It said only £2,000 should be

retained in the local building society, preferably in one "instant access" account. Reendowmentgarding insurance policy, maturing this put into high-yielding equities aside a "rainy day" fund in a year, it assumed that there part of the capital funds might with long-term growth pros- building society and invest the would be an option to convert be invested in the type of CTT pects, although once again some remaining £40,000 to produce to a "qualifying re-investment mitigation plan, offered by

suggests that at the end of each quarter a number of certificates should be encashed to produce an amount of "Income" equalto the interest added in that

quarter. If, at maturity, the certificates are worth £10,000 this will produce, at present rates, a tax-fres-income" of £352 a year without reducing the capital value, it is recommended that the other Natinal Savings certificates be held until they too become sub-ject to the common inferest

rate. The company says the British Telecom shares should be sold. for say £970, since they will attract no further vouchers. With the disposal of the Treasury stocks, standing at above redemption value for £3,950, encashment of the Save e. Prosper policy £3,100 and lump sum payment £7,000, there will be £17,000 available for investment. Of this £10,000 should be invested in an insur-ance company "income plan" to provide a full return of capital in 10 years combined with a net income of 7.2 per cent a year.

The balance of £7,020 would be invested in the 3rd indexlinked issue of National Savings, with the units being encashed to provide income in line with the interest added.

The total capital of £55,970 invested would give a total net income of £10.000 a year with substantial scope for increasing that income now or in the

TOWRY LAW estimated that the reader's total portfolio appears to be something like £65,100. The shares are valued at £11,659. It suggests redirecting the liquid funds of £14,000 arising from the lump sum payment and encashment of the endowment policy into an annuity-linked endowment annuity-linked endowment policy designed to generate a high level of after tax income while maintaining the capital value.

The proceeds of £17,300 from the encashment of matur-ing National Savings should be reinvested in a range of high income unit trusts-arising from the lump sum payment and encashment of the endowment policy.

Towry Law also thinks that the reader should give some consideration to Capital Transfer Tax. If the present value of the house and contents (say £60,000) is added to the investments, the liability to CTT would be over £19,000 on a total estate of £125,000. Although payment could be deferred funtil the second death, the eventual liability might be still

So the company suggests Legal & General, whereby an tended. These stocks are To achieve this mixture of On National Savings, Noble on-going "income" of as much stimil. Consolidated Gold index - linked gilts, and a Lowndes points out that from as 10 per cent in net terms can belds, Inchcape, Midland Bank general managed unit trust or March all the 19th issue hold- be taken while providing free-

"YOU WORRY me," Kaplan said. "Your'e starting to believe in your own legend. I warned you about that a long time ago. You can no longer distinguish between what the media is writing about you and reality and that, my young friend, is

the short road to wipe-out!" he short road to ware Kaplan, the mentor, is Adnan Walid, addressing Adnan Walid, fictional hero in Mahmud Sipra's factional novel Pawn to King Three, published last week. What gives the book (and this will no doubt not harm its

sales) a wider interest is that its author is a real life leading character in one of 1984-85s grand City dramas, the collapse and rescue of Johnson Matthey Bankers. The Pakistan-born entre-

preneur was the leading debtor of JMB when in September 1984 it was saved from total collapse by the Bank of England in a \$250m rescue operation.
Sipra's El Saeed shipping and

film group owed the bank some from at this time. Only about half of this money has been recovered and Sipra has repeatedly told the media that he blames his group's fall on the perfidity of bankers and others. others. Apparently he has failed to take his characters' injunction to heart.

The publicity blurb for the book compares Sipra as an author with Jeffrey Archer (a comparison the FT has never made—book promoters please note). The dust jacket speaks of him as a "contemporary definition of a polymath" who has weathered the storm of JMB's collapse (and his own?) "with characteristic dignity and panache."

panache."

It was this well known panache that was very much to the fore when the author handed me an advance copy of P-K3 last October. With a great flourish he said "Read this and you will understand everything," adding "it's about me and my life. and my life.
"The little boy in the train

massacre, that was me. The trouble with the bank—well, of course you know all about that . . ." A few days afterwards he had disappeared from the UK—only to show up months later back home in. Pakistan.

Those who buy the book in the hope of "understanding it all" will be a little disappointed. While it is a racey tale of intrigue which is revealing as to its author's fantastical view of the world, it is not an

autobiography.

Yet in parts its run close to real events. Adnan—for love and money—pits himself against two powerful aristo-cretic Pakistani temilies—the

A slice of life

classical new blood versus old money tale much loved in the subcontinent's cinemas.

sonally and commercially with his in-laws from the Imam family (All and Hussein being \$37m when the bank was rescued. Larger than life is a phrase

lawyer is not only brilliant but able to all but the assassin's also a glamorous woman (what bullet (and then only on the could be more glamorpus than a one-time Miss California?); the aides are loyal unto death and their Mickey Spillainish dialogue reflects this. Over them all towers Adnan, greater than the sum of their parts.

If only it were so in life Mahmud Sipra must be asking now. His business affairs are in ruins; the ships sequestered by port authorities to cover unpaid fees; the police have raided his liquidators are chasing after him: and small debtors hang

Alis and the Husseins-in a forloraly round the doorstep of his vacant London house in the hope of hearing some news. Even the house in Chester

In real life, Sipra battled per-onally and commercially with posing Nash residence" of the tis in-laws from the Imam head of the Ali family) which was wrung out of the Bank of two of the Imams according to England in the course of the Islamic tradition). As well as famous "daft" negotiations being Sipra's rivals, the Imam will soon be put up for sale by brothers were the second the building society as the largest debtors of JMB, owing mortgage has been defaulted

Obliged by such circumstances to stay out of the UK that often comes to mind when "on advice from my lawyers" reading P-K3. Everyone is is not a part for Adnan to play grand. The hero's corporate —the fictional hero is invulnersecond attempt).

In self-imposed exile from the UK "while investigations continue," Sipra remains adamant as to his harsh treatment by JMB and its Bank of England rescuers. "Why me?" is a constant refrain. Unlike his fictional alter ego

Adnan, the real man has no presidential candidacy in Pakistan to go back to. And at the very end no assasins' bullet to bring the tale to a tidy con-clusion. Unless of course it is fees; the police have raided his bring the tale to a tidy con- Kaplan, two London homes as part of their inquiries; court cases are pending in several jurisdictions:

the pens of tale to a tidy con- Kaplan, two London homes as part of clusion. Unless of course it is the pens of the accountants bow/Michael Joseph, 19.95. Inquidators are charing after task today. task today.

Is it a good book? Literature



Mahmud Sipra

it isn't, but the airport and rail-way bookstalls should do a good trade. Originally envisaged as a film—Sipra's first love has always been the celluloid world, both in front of and behind the camera—it has an undeniable pace that should help fend off the onset of jet-lag.

The news that a second work,

The Privy Purse, is underway and that a second printing of the Pawn seems certain will no doubt encourage the author. But then that has never been the problem, only the lack of a

Terry Povey

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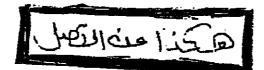
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1st February 1986



WEEKEND FT REPORT

Reform of Social Security

Programme for Action

The Government is proposing to reduce state involvement in providing pensions, while increasing the role played by the private sector. Emphasis is also being placed on encouraging employees to make personal pension provisions.

Era of greater choice

By Eric Short

A NEW pensions era affecting pensions. future generations of employees is being ushered in by the 1986 Paper published last June, Social Security Bill, introduced wanted to end the State Earninto Parliament last month by Social Services Secretary, Mr

M Indialogy to be

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The state of the s

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saint traces

Norman Fowler.

The legislation is the cul- basic flat-rate pension.

Time and again, Mr Fowler, years of discussion and consulframework in the UK.

The central theme of this discussion has been to reduce. the role of the State in pro-

Green Paper and finally a White tions in great detail on varying Paper—the main theme has assumptions. There is little been just how far privatisation doubt that costs will rise subshould be taken, and how to stantially. But whether they are achieve the changes, rather unsupportable is debatable. The than a consideration of the case is by no means as clear

overall principles involved. The move to the privatisation

The Government in its Green ings-Related Pension Scheme (Serps) and confine the role of

put forward, as a reason for tation by Mr Fowler, as he ending Serps, the expected looked into the whole pensions rising costs of the scheme in the next century. He claimed that it would impose a cost burden that was unsupportable by future generations, though figures backing his

the private pension sector, with assertion were somewhat sparse.

particular emphasis on employees having their own personal pension.

However, throughout the discussion which produced in excession a Blue Paper, a Green Paper and finally a White

cut as Mr Fowler has asserted. However, in the face of overof pensions has been con-whelming opposition to the prostrained only by administrative posed ending of Serps—both on conditions and the need to principle and administrative avoid disruption of the pension grounds—Mr Fowler has pulled expectations of older employees, back from the Green Paper and as against any consideration of compromised, with a radical the best means of providing modification of the scheme.

The details of the modifications were set out in the White It is clear that the proposed changes will result in a substantial reduction of the overall pension provided by the state, particularly for employees with broken career records.

The level and pattern of White Paper to illustrate the effects are not very helpful. But the least affected employee on abled relatives. constant earnings would see a 20 per cent cut in his Serps on costs, the pensions provided

count towards the pension.

The pensions industry still overlooks the growing likelihood that employment patterns in future will be far from continuous and that a pensions policy for the next century must take interrupted employment patterns into account.

whole working life, with excep-

by Serps could not be

In the last resort, an employee

reductions is not, as yet, clear. The examples shown in the

Despite the extent of their regarded as generous. For any-consultations, Mr Fowler and one earning above the national his enquiry team still viewed average the basic Serps pension pensions on the premise that employees only qualify for pensions while working, and that time out of work does not count towards the pensions.

income in retirement must make Serps made a start towards this by basing pensions on the his own arrangements. Here lies best 20 years of a working life.

The main modification to Serps men's policy as embodied in is to base the pension on the the Bill.

employees.

This gives every employee the other tax details are available. tions for those women who right to opt out of his or her leave work to look after dis- comupany pension scheme and/ or Serps, and make his own Despite Mr Fowler's warnings pension provision through a

personal pension arrangement. The Bill sets out a minimum pension contribution for a personal pension contract equal to the joint employee/employer rebate on National Insurance (NI) contributions for opting out (known as contracting-out) of

Thus employees will be forced forced companies to set up their own pension scheme to replace Serps. Now this is to contribute to an employee's personal pension contract at this voluntary. An employer without NI rebate level. But contribua pension scheme still need not tion payments above this minimake any provision for his mum level by both the employee and the employer will be on a voluntary basis.

This survey describes, as far as is possible, how the new wanting to ensure an adequate personal pensions for employees will operate. However, beyond stating that the contributions will be eligible for tax relief, no

We await the Chancellor of the Exchequer, Mr Nigel Lawson Exchequer, Mr Nigel Lawson to set out the tax framework for personal pensions.

The original thinking behind the control of the proposal of the control of the proposal. More importantly, the Government realised that investments can go

The original thinking behind personal pensions was that it would be an ideal route towards encouraging employees having their own pensions investment portfolio to go alongside owning their own home — a dual concept close to the heart of the employees a wider choice of present Government's philo-institutions with which to invest present Government's philo-

The Bill does end the current monopoly of life companies in offering individual pension contracts to the public. Now banks, building societies and unit trusts can offer the savings element of personal pensions. However, the initial Blue Paper envisaged stockbrokers offering personal pensions, that is advising individuals on holding their own

This concept was dropped at CONTENTS

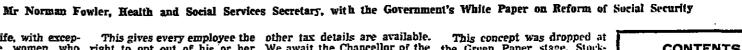
wrong and if an employee mismanages his pension savings it would be the social security Contributions system that would have to ensure an adequate pension. So while Mr Fowler is giving their pension savings, he is also

employee will not be allowed to put all his pension contributions in high risk, high reward unit trusts—but again we await the actual details. Nevertheless, Mr Fowler

imposing investment restric-tions on those institutions. The

CONTINUED ON PAGE 2

accepts that, at least for the



Government Plans Additional Voluntary

Existing Executive Arrangements Existing Sclf-Employed Schemes Transferability

Pension Mortgages Investor Protection Effects on Employers

Effects on Employees Effects on Financial Institutions

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Leaders in personal pensions.

WEEKEND FT REPORT 2

Government Plans

Radical changes seek to increase flexibility

THE present Government has where 25 per cent is paid based adopted a sympathetic attitude on average earnings for the best towards pressure, building up (highest) earnings over 20 towards pressure, building up in several influential quarters, more flexible personal

The concept of people becoming more closely involved with planning their own financial future is in line with the general Conservative Party philosophy of try and supplement their pension privately.

Under the original proposals Serps would have disappeared completely, so the Government involvement character by the pension privately.

ment involvement sharply by phasing out the State Earnings-Related Pension Scheme (Serps) have had to be watered down following the outery against the original Green Paper proposals, not only from the opposition political parties but also from the pensions industry itself.

Nevertheless, plans in the White Paper on Social Security reform issued at the end of December still incorporate some very radical changes and strong backing for the move towards personal

There are three major There are three major changes proposed. One is that the benefits under Serps will be considerably reduced. Those retiring before the year 2000 are not affected. But those retiring after that date will pay less and receive less. less and receive less.

the Serps pension will be based. on only 20 per cent of average ment and employers earnings over a lifetime, instead of the existing arrangement

It is estimated this will cut the basic Seros pension by at least 20 per cent, which will inevitably put pressure on em-ployees relying on the state scheme either to contract out

has been forced into a considerable climbdown. Yet it is still likely to be the most conten-tious issue as the Bill goes through Parliament, for it reflects most sharply the differing approaches of the political

The second main proposal in the White Paper is to make it easier for employers to set up their own pension schemes,

The third, and most far-reaching, proposal is that all employees should have the right to opt out both from Serps and their company schemes as well, by making their own personal

pension arrangements instead. mum figure.

The net effect of these proposals, if the planned Bill gets the envisaged personal schemes through Parliament, roughly on ess and receive less, the lines laid down in the White From the end of the century Paper, is that the existing responsibility of both the Governproviding pensions sharply reduced.

Instead individuals will be encouraged to move over to personal pensions, with some help and protection from the

For a start it is planned that the choice of personal pensions available will be considerably widened by allowing banks, building societies and unit trusts to compete in this sector with the life companies.

The Bill will also include measures aimed at ensuring individuals are not given poor or misleading information when buying personal pensions; in particular trying to make certain that they are not gulled into paying excessive charges or

At the same time arrange ments will be made for the rebate on National Insurance contributions — payable on contracting out of Serps — to be paid over by employers to contracted out of Serps. This the company or institution will further undermine the supplying the personal pension. weakened state scheme.

The minimum contribution to

a personal pension plan will be fixed at the level of this National Insurance rebate, which has not yet been decided, but is expected to be about 5.75 per cent of salary up to a maxi-

An additional advantage of will be that part of the pension earned, over and above the minimum, can be commuted and taken as a lump sum. This will leave the door open for pensions generally to be linked with the



Mrs Margaret Thatcher, the Prime Minister and Mr Nigel Lawson, Exchequer. The concept of people becoming more closely involved with planning their own financial future is in line with the Government's philosophy of encouraging private enterprise and greater share ownership

repayment of home mortgages, just as self-employed contracts are used at the moment to take advantage of the tax savings achieved by this method. been taken with These changes, if the White Security Act.

Paper proposals get through Parliament reasonably un-scathed, are not due to become law until April 1988, by which Government with very different

start in introducing more free-dom into pensions, and accelerating the trend towards personal schemes, has already been taken with the 1985 Social

Effective from January 1 this year, the 1985 Act offers a new deal for employees changing jobs. It was mounting criticism that put pressure on the Govern-

Job changers now have more forced to remain in the previous employers' scheme, they can either take a transfer paypension, and use it to buy rights in their new employer's scheme. Or they can use the transfer payment from the old scheme to by a special Section 32 buy-out time there will have been a from "early leavers," infuriated by a special Section 32 buy-out General Election intervening and angry at being locked into annuity from a life company that might result in a new pension schemes eroded by Effectively a form of personal

John Edwards

An era of greater choice ushered in

CONTINUED FROM PAGE ONE

time being, many employees will look to their employer for pension provision. In addition, he wants employees to get the best pension deal from industry and regional wide schemes to avoid any problems of transfer-ing pension rights on change of job. The Bill contains two

First, it greatly simplifies the conditions under which a company scheme opts out of Serps. Schemes need only fulfil a straightforward contrifulfil a straightforward contri-bution test, a change that is and over the actual rebate which

Under the present system only company schemes that define the benefits in terms of final or career average salary can contract out. Now the Government allows money pur-chase schemes, where the ultimate pension depends on the

to disguise the fact that the Government wants to encourage employers to switch from final

The second encouragement in the Bill is the proposed payment of a 2 per cent extra contribution during a five-year period from April 1988—the start of the new arrangements—for all new company schemes and per-sonal pensions.

The money will come from the NI fund—that means that good employers with existing schemes will be subsidising those employers who have done

The pensions industry is is a fixed amount—expected to
be 51 per cent—for all employees. This is generous to
younger employees and inade. quate for older employees.

The Green Paper envisaged a changeover to the new sys-tem in April 1987—to be operaamount of pension savings ting before the next General accumulated, to contract out. Election. This timetable was to dismuse the fact that the described as suicidal, so it has been pur tack a year to April 1988. That is after the likely date of the next election. salary schemes, with their open-ended financial commitment, to restore Serps and not to in-to money purchase, where the plement personal pensions,

Additional Voluntary

Contributions

Taking steps only part way down the road

UNTIL NOW the clumsily high marginal rates of tax named Additional Voluntary The inflexibility of AVCs contributions (AVCs for short) otherwise makes this a relathe schemes themselves.

should have the right to pay or invest in businesses. extra contributions up to the imit laid down by the Inland Revenue, and that such contributions must be used by the trustees to provide additional benefits for the particular

individuals involved. This takes the principle of AVCs a little further, but not nearly as far as many in the pensions industry had advocess of consultation that preceded the legislation now

launched by the Government.
It was widely agreed that simple and painless way to add personal element to the collective system represented by occupational pension schemes. But to be a more satisfactory medium of individual investment, AVCs need to be given the extra features of guaranteed portability and choice of investment. These attributes do not at present feature in the

In this respect, the Govern-ment has notably failed to go down the road pioneered by the US, where tax-sheltered Individual Retirement Accounts may be maintained by all separately their company plans. And in fact there is another, more precise, parallel in the US, where companies may sponsor so-called 401(K) plans for their

These 401(K) plans have come under threat from a US Government troubled by fiscal deficit, and the need to protect tax revenues is presumibly the reason why the British Government is not being more encouraging British employees to exploit the tax advantages of pension contributions to the maximum.

The scope for AVCs arises

because employees making regular contributions into company plans rarely, if ever, approach the Inland Revenue's limits for contributions - 15 per cent of salary -- or for eventual benefits.

It is generally known that pension payments are limited to two-thirds of final salary, but this only forms part of a more complex package of potential benefits. Other elements include a tax-free lump sum, a widow's pension and provision for increases in pensions in pay-

Nor are benefits entirely limited to those collectable at or after retirement age. For younger people there is the possibility of tonning up deathin-service benefits where the company scheme does not offer limit of four times salary, This can be an attractive way of obtaining extra life cover, especially for employees paying

sometimes paid by members of tively unattractive way of sav-occupational pension schemes ing-for young people. AVCs are have been doubly voluntary, subject to the problems of being optional not only for transferability between schemes scheme members but also for when employees change jobs. Under Clause 11, the Social up until retirement age, a Security Bill now, however, pro- severe disadvantage for people rides that scheme members who might want to buy houses

With advancing years, however, AVCs can come into their own. People in their 50s may well have surplus disposable income, and be subject to high tax rates. Moreover, comparatively few people will have served long enough with a single employer to accumulate the full number of years of service to qualify for a maxicated during the elaborate pro- mum-pension - commonly 40

So additional contributions are valuable as a means to make up for the losses caused by job mobility earlier in life, or perhaps to make retirement more attractive possibility financially at 60 rather than 65. But AVC schemes are inevitably inflexible, and it seems a pity that more is not being done the Government to ensure that a greater degree of choice is available to all employees. Many of them seem likely to be confronted with a take-itor-leave-it approach by their

pension scheme managers.
The mechanism of AVC schemes is that the extra contributions have to be paid over to the trustees along with the normal pension deductions. As a matter of convenience, the AVCs are then diverted into a separate fund - but one still under the control of trustees.

Generally speaking. money is then invested in one of three ways. It may be put into conventional with-profit life assurance funds, so that the eventual payout will depend upon declared bonuses. It may be invested in building society accounts, on special favourable terms which some societies are willing to pay for stable, long-term money such as this. Or thirdly, in a relatively new development, it may be put into

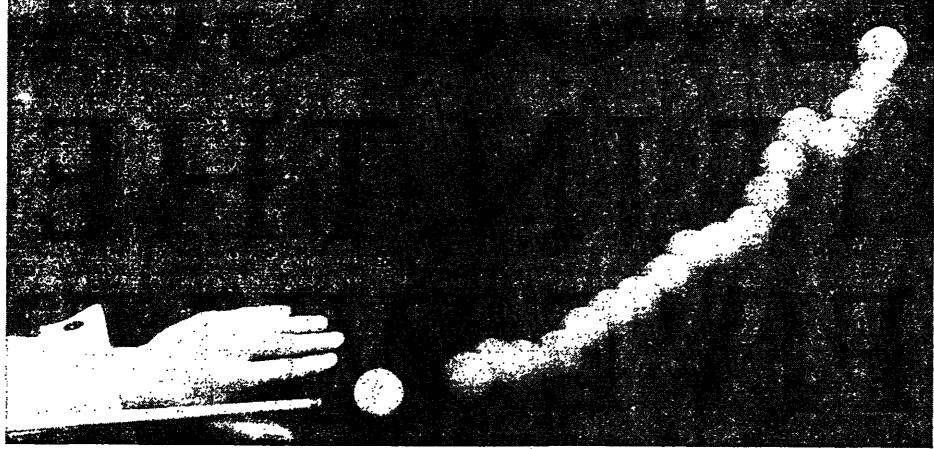
But it is entirely up to the trustees to decide which of these facilities to offer. All AVC facilities are administratively inconvenient for the pension scheme. So only a few large, enlightened schemes offer a full range of the three choices scheme member has no way of channelling his AVCs to his favourite life assurance com-pany or unit trust group.

But perhaps the ingenuity and salesmanship which is plentiful within the savings industry will break through the barriers and create new opportunities. Recently, for instance, the top merchant bank Kleinwort Benson has launched a pension-mortgage scheme based upon AVCs. an arrangement which amounts to a highly tax

Barry Riley

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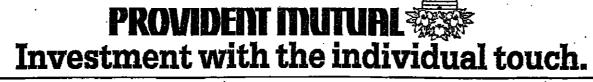
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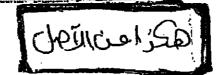
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•WEEKEND FT REPORT 4 •

Existing Executive Arrangements

Numerous options available

FVER since the Chancellor of benefits in kind, bonuses, over-contract into a very flexible its own assessment of market the Exchequer. Mr Nigel time and commission payments. financial planning device. conditions. If you are looking Lawson, suddenly removed tax. Apart from the tax breaks at The practical problem is one for the potential of more excitrelief from new life assurance pally to two other areas. from investments and deposit One is unit trusts and the and free of capital gains tax.

other individual pensions, under which fall executive pension contracts.

An executive pension consometimes called an individual pension arrangement or top hat scheme, is one under which approval from the Inland Revenue is necessary under the Finance Act 1970.

The Act specifies that the employer has to make contributions to the plan and these contributions must represent nore than a token amount. Contributions are allowable against the employer's corporation tax liability.

There is no legal requirement on the employee (whether or not that person is a controlling director) to make contributions to the plan, but if he or she does so, tax relief can be claimed at the top rate—up to 60 per cent-on contributions of un to 15 per cent of Schedule E

In addition to salary, such bility of loan facilities, which earnings include directors' fees, can turn an executive pension

Apart from the tax breaks at the pay-in end of the process, of choice. There is now a total contracts in his 1984 Budget, all contributions paid into an of around 120 executive pension the marketing activity of life executive pension plan are companies has shifted, principletely free of all tax on income companies in the UK. They from investments and deposits.

So far as the pension itself is concerned, this can be as much as two-thirds of final salary provided at least 10 years' service has been completed.

Shorter service periods result in a progressively scaled-down Apart from the pension itself. an executive plan provides the option of a tax-free lump sum

final remuneration for those who have notched up 20 years' As with the scaled-down pension, there is a scale on which the maximum lump sum option is reduced according to length of service. example, the maximum lump sum for someone with 10 years'

There are various other wrinkles, such as death in service benefits and the possi-

of final salary.

service works out at 45 per cent

companies in the UK. They each claim to be the most exciting, most relevant, most adaptable and so forth. So, how does one pick a way through all the marketing ploys?

Step number one is to decide how much risk, or volatility, you are prepared to accept. If you want good solid, middle-ofthe-road performance, you will be inclined to opt for one of the on the market with profit

With profit plans guarantee a at retirement. This can be as basic minimum benefit which is increased periodically (usually each year) by the addition of a much as one-and-a-half times reversionary bonus.

The rate of bonus declared may vary from time to time, but once a reversionary bonus attaches to a policy, it cannot be taken away. Most insurance companies which market with profit contracts also pay a socalled terminal bonus. This is added to the policy when the pension becomes payable on retirement.

Under the profit plans, the insurance company invests fund monies in a mixture of equities, gilts and property, according to

for the potential of more excit-ing performance but are prepared to risk the downward movements as well as enjoy the upward ones then you are more likely to opt for one of the 60 or so unit-linked contracts. Here it is the planholder who

decides which fund he wants his money invested in. The choice of investment funds has widened considerably in recent years to include international investment opportunities, and there is a variety of funds investing in, for example, the US and the For East.
The planholder can always

switch from one fund to another if his initial choice does not measure up to expectations, but this can be a case of jumping from the frying pan into the fire. So, many unit-linked planholders opt for a broadly-based managed fund and let the investment managers take the investment strain.

In deciding which type of plan to opt for, it is wise to contracts where contributions remember that the difference are invested in a diverse porthetween the top-performing and bottom-performing unit-linked contracts is always greater than the equivalent range for withprofit contracts.

cial Times Business Informa-

There are also more than 20 so-called deposit administration plans on the market. Deposit administration is an

all-embracing term covering contracts ranging from those where the allocated interest rate is linked to a recommended and yardstick. well-publicised through to cash accumulation folio of assets, and bonuses are declared each year in such a way that peaks and troughs of market conditions are smoothed

A full analysis of fund and Whatever type of executive insurance company performance pension plan is chosen, it is

Existing Self-Employed Schemes

is provided in the 1985-86 edition of the Executive Pensions handlook published by Financompany is involved in a takeover or merger then the plan can be continued by the new employer or a transfer value can be paid.

OKAH, PENSIONS: GIVE US A

BRIEF FIN-DOWN ON THE OPTIONS, PETTIGREW

Finally, it is not essential that an executive pension contract should be taken out with an insurance company. It is possible to set up a so-called self-administered scheme where the trustees themselves tusually the company's directors) decide the fund's investment policy, subject to certain requirements.

In such a case the advice of a consulting actuary will be

Peter Gartland

Transferability

Job switching is no longer penalised

employees on changing jobs to the employee. There are a take their accrued pension variety of plans available to rights from their previous employees. scheme with them.

year, all job changers were . A with-profits contract which payment in lieu of a deferred pension in the old scheme, though most large and medium size schemes have allowed such payments for some time.

The employee can either take the transfer payment to his new employer's scheme or he can invest it in a buy-out annuity from a life company. From April 1988, under provisions in the 1986 Social Security Bill, employees will also be able to invest transfer payments in a ersonal pension

Life companies have been marketing buy-out annuities since the arrangements were formalised in Section 32 of the 1982 Finance Act. Employees changing jobs now have a wide choice of contracts from a number of life companies. A buy-out annuity has become an established product in the range

of individual pensions.

A buy-out annuity is essentially a money purchase arrangement like all other individual pension contracts.

ONE CENTRAL purpose of the 1985 Social Security Act was to make it much easier for lated to the retirement date of

cheme with them.

• A non-profit contract which guarantees the benefits.

given the right to a transfer has lower levels of guarantee. but with the opportunity for the bonus growth through

A deposit administration plan, where the investment operates in a similar manner to a deposit account, with interest being added each year. • A unit-linked plan, where the

employee invests his transfer payment in units of one or more funds, with opportunities for switching between the funds. However, there are certain

buy-out annuity is basically a ment leave much to be desired, substitute for a deferred pension in the previous employer's to pension fund managers. scheme. The benefits under the buyout must be of the same is a money purchase arrange-

To start with, this means that the retirement age at which the cash sum accumulated to retireemployee can draw the benefits is the age in the old pension scheme. The employee does not have the flexibility in timing of drawing his benefits.

Next, the buy-out annuity must preserve the Guaranteed Minimum Pension (GMP) — the benefits accrued in the company pension scheme equivalent to those in the State Earnings-Related Pension Scheme.

Any spouses's pension above GMP provided in the old scheme must be provided in a buy-out annuity.

It is the responsibility of the trustees of the old pension scheme to purchase a buy-out annuity on behalf of the employee who is changing jobs. They must ensure that the plan provides the benefits in the correct form,

Until recently, conditions were fairly relaxed on this score and trustees invested in the employee's choice with minimum scrutiny. However, while the Social

Services Secretary, Mr Norman Fowler, has been liberalising conditions for job-changers, the Inland Revenue has been tightening up on investment in buy-out annuities.

Trustees are being instructed by the Revenue to ensure that buy-out annuities conform to the benefits of the old scheme in fairly precise detail. So, in effect, each buy-out annuity has to tailor the benefits to a particular scheme.

Trustees are now reaching agreements with certain life companies for approval in advance of the benefits on buyouts. The GMP liability is often either being covered with a non-profit plan or the trustees buy back into Serps.

Employees are being encour-aged to take their buy-out from an approved list of life com-panies where the trustees know that the benefits approved form.



Mr Mark Weinberg, chair-man of the Marketing of Investments Board Organising Committee, which is currently looking into life company quotations

The potential for buy-out annuity business is already great and growing fast with increasing job mobility of employees. More and more intermediaries are moving into this market, encouraging employees to take a transfer value when they change jobs and invest in a buy-out annuity.

Their selling methods using restrictions on the benefits. The projections of benefits at retire-

As stated, the buy-out annuity ment. Life companies, in their quotations, start by showing the ment usually on high yield assumptions. This often produces very large sums looking like telephone numbers. Then the quotation shows the amount of pension this sum could buy, again producing an optimistic

This quotation is then com-

shows benefits in monetary values at retirement. The deferred pension is usually in today's money terms and likely to be revalued, at least partially in line with inflation.
Under today's investment

information in a form that makes comparisons genuine in comparing like benefits.

Finally, the benefits at retirement on a buy-out annuity have to be aggregated with the benefits from any other company scheme. Under Revenue rules, an employee at retirement can only take a maximum of 11 times his final earnings as a tax free lump

The responsibility for check-ing benefits lies with the trustees of the pension scheme at the time of his retirement -or if there is not one, then with the trustees of the old scheme that made the transfer payment.

However, the benefits are paid by the life company to the individual at the time of his retirement. There could problems if the individual fails to inform the trustees of the existence of a buy-out annuity.

onwards, half those contribu-

pared with the deferred pension under the old scheme. The comparison is between apples and pears. The buy-out

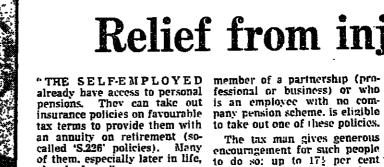
conditions, with high real rates of return, a buy-out annuity where the employee gets the benefits of investment performance, is likely to provide higher benefits than a deferred pension. But the employee needs to be given

Eric Short

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already do so."

This statement was contained

the abolition of the State Earnings Related Pension Scheme (Serps). In the event, Serps was not abolished but retained and amended. Unfortunately for the self-employed, however. this furore was of very limited interest, for they have never been entitled to any benefit under Serps, even though they were and still will be obliged to pay earnings related contributions. However, some relief from this injustice was given which provided that for 1985-86

presented last summer.

income tax purposes. The name, self-employed persions, is the generic term for retirement annuity policies, written under S.226 of the Insome and Corporation Taxes Act 1970. At present anyone upon them with minimum con-who is self-employed, or a tributions of 4 per cent per

member of a partnership (pro- annum of earnings, with the employer paying at least 2 per fessional or business) or who pensions. They can take out is an employee with no com-

The tax man gives generous encouragement for such people to do so; up to 171 per cent non-pensionable carnings may be contributed to one of these schemes (more if you in Norman Fowler's Green were born before 1934) and full Paper, a discussion document, tax relief is given up to 60 per cent. depending on how much One of the main proposals tax you pay on your earnings. of the original Green Paper was

The contributions are invested by the life office in a pension fund which is completely free of all taxes, and when benefits are taken, part of the pension may be commuted for a completely tax-free cash lump sum. Under a self-employed pension, you do not have to retire to start drawing the benefit, as long as benefits begin to be drawn between ages 60 and 75.

However, the recent publication of the Social Security Bill choice between a \$.226. has left open to question the and a personal pension. future eligibility of people in ever, until the matter is retions are to be deductible for non-pensionable employment to rolved by the IR people in offect a self-employed policy, non-pensionable employment The original proposals in the are still eligible for self-Green Paper were that these employed pensions and should people estimated to be about not be deterred by this 9m) would have some form of uncertainty from effecting a company pension scheme forced plan as soon as possible.

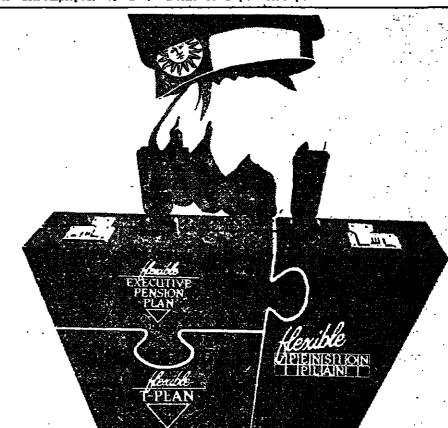
Relief from injustice

The subsequent White Paper and Bill drew away from comto take out one of these policies. pulsion and instead offered incentives to employers and employees alike to effect pension schemes, principal among the incentives being an additional 2 per cent rebate in National Insurance contributions to be used to boost benefits of all new company pension schemes and personal pensions which contracted out of Serps between

April 1988 and April 1993. Originally it was intended that the employee in a job with no company pension scheme would have no choice between a personal pension and a selfemployed pension — their only option would be a personal pension, Now however, the situation is not clear.

It will be up to the Inland Revenue to decide whether or not those in non-pensionable employment would have a

Jane Walford



The case for Flexible Pensions

SUN LIFE have been one of the first to recognise that, in advantages of our "portable" recent years, increased job approach me: mobility has demanded that individual pension arrange-ments be designed to take seriously the position of those who have more than one occu-

pation — perhaps many more than one — in a working life That's why we've developed our Individual Pensions package - Flexible Pension Plan, Flexible Executive Pension Plan and

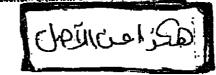
* Planholders can change

tobs without less of pension rights. * Any lump sum death-inservice benefits can, within

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S, FETTIGREW



pensions as set out in the 1986 Social Security Bill has not followed this particular aspect and the subject of pensions firstering that fraction that the temperature of temperature of temperature of temperature of temperature of temperature of temperature of tempera and morigages was never dis-cussed in the various documents on the review of thenhal in 2 g and think had be the pensions. Nevertheless, the use of a pension contract to pay off a mortgage—these schemes being the training to known simply as pension mort-gages—has developed rapidly tid to taken out over the past few years since it was introduced in the early

to et up a se Rise (et et le etteme) The transfer like the combined the the funds ubject to a action . is a case the abla the action of Peter Garte

 First, the interest payments on the first £30,000 of the mort-gage are eligible for full tax relief for a first home mortgage. $\omega_1 = 0.54 \mu m^{-2}/\kappa_B^2$ in a legal in com Ribi Wat figg

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 $(-1)^{n} = (-1)^{n} = (-1)^{n}$

v (1) [2]

1 - 15

 Secondly, the contributions paid into the pension contract are eligible for full tax relief the limits set by the Inland Revenue. For the selfemployed, the contribution limit for tax relief is 17.5 per cent of earnings, with higher limits for older people. • Thirdly, investment in the

The pension mortgage scheme

was designed for the self-employed and became possible

when the Inland Revenue gave

its approval for loan backs to

self-employed pension contract.

morigage is granted on an interest-only basis, with interest

being paid on the full mortgage

until retirement age is reached (usually at age 60). The mortgage itself is then repaid from the cash commutation sum

available on the pension

tax-efficient available for repay-

ing a mortgage.

Such a scheme is the most

The operation of the scheme

quite straightforward. A

made in conjunction with a

tax. reason why employees, who pension mortgage.

• Finally, at retirement the are members of company pen- The AVC mort

A home found for your money

WEEKEND FT REPORT

Pension Mortgages

Studies envisaged an employee being able to use part of his tax efficient even if tax relief employed.

being able to use part of his tax efficient even if tax relief employed.

The main fear of building house, which would then form available, such as on a second societies in making pension part of his assets set aside from home, or only partially avail mortgage facilities available for employees is that by and large

The final form of personal The contribution level paid estimated cash sum at retirement, on conservative yield tives. assumptions, is sufficient to Thi

cover the mortgage.

However, since about one quarter of the value of the pension contract can be taken in cash, then only one-quarter of contributions paid is the earmarked towards mortgage repayment, with the remainder

going towards the pension. The self-employed with a pension mortgage is using the contract for two purposes at the same time—repaying a mortgage and providing a pen-

An admirable concept, but it could impose cash flow probems. Thus a pension mortgage is likely to be more suitable for the older person.

The pension contract itself cannot be used as collateral for the mortgage, in the way that a life policy can be used as collateral on an endowment mortgage. The house itself is the collateral. Life cover is usually his forthcoming budget. required during the term of the mortgage.

Pension mortgages for the self-employed received a considerable boost when Mr Nigel Lawson, the Chancellor of the Exchequer, ended life assurance premium relief nearly two years ago—this cutting back the cost effectiveness of endowment mortgages.

However, until recently, there were very few facilities for employees, other than controlling directors and executives, to avail thruselves of pension mortgage schemes.

ORIGINAL paper on of their pension which is sub- such pension mortgage facili- and operates in a somewhat personal, portable pensions ject to tax into a tax-free lump ties. They all bave available a different manner. The employee from the Centre for Policy sum. The scheme is still highly similar to that for the self- and has to take out an AVC

The main fear of building amount to cover the mortgage. able because the mortgage employees is that by and large exceeds £30,000. they have little control over they have little control over their working and pension into the pension contract must arrangements in the same manbe sufficient to ensure that the ner as the self-employed or pany or building society. The controlling directors and execu-

> This situation could change salary and this can come from with the introduction of personal pensions as envisaged in the 1986 Social Security Bill. minimum contribution (ex-pected to be 53 per cent of earnings) on a personal pension And life companies are not are intended to be equivalent the benefits state earnings-related pension

retirement. However, it is expected that the benefits secured by extra contributions to a personal pension will be similar to those on a self-employed contract with option of converting part of the pension at retirement into a tax-free cash sum.

scheme. Thus there will not

be a lump sum available on

Full details on the tax position of personal pensions are able awaited from the Treasury. Everyone hopes that Mr Lawson will end the uncertainty in

But if tax-free lump sums are allowed, then pension mortgage schemes will become available to employees with personal pensions, provided they are prepared to put in the necessary additional contributions above the minimum and/or persuade their employer to contribute extra.

Certain stockbrokers are predicting a boom in pension mortgages with the advent of personal pensions. If this does happen, then one can depict a scenario where employees out out of their company pension underlying funds is exempt of There would appear to be no scheme solely to obtain a

self-employed can convert part sion schemes, should not have beginning to come on the scene

scheme of sufficiently large

Here the differences arise. Technically the benefits secured by AVC's are aggregated with the main company pension benefits, even if the AVC scheme itself is with a life commaximum lumo sum available

the main company scheme. However, it is assumed that The benefits secured by the scheme separate from the main company pension scheme has some control over the outcome. going to market pension mortgages to employees unless there is some new business as a result.

> The provisions in the current Bill regarding AVC's are dis-appointing. The pension induswas unanimous in seeking AVC's to become personal with an employee being able to make his own arrangements-that is a personal pension on top of the company scheme. Instead the Bill simply requires schemes to make an AVC facility avail-

> I foresee, however, employers making pension mortgages with building societies or banks available to their employees with repayment from the taxfree lump sum. Otherwise they could see employees being out of the company scheme to get a mortgage.

The whole concept of pension mortgages hinges on the tax free lump sum. Last year, there were fears that the Chancellor would change the framework of pensions tax and end the taxfree element. This did not happen and Mr Lawson pledged that there would be a Green Paper on the subject before any legislation. This effectively rules out any changes in the lifetime of this parliament.

Pension mortgages are going

Eric Short

Investor Protection

Need to keep up guard recognised

WHEREAS COMPANY pension established to supervise the ing parties are being estabschemes rely on several marketing of pooled products lished to draw up rules in areas sources of independent pro- such as life policies, pension like the projection of benefits, fessional advice — such as plans and unit trusts. actuaries, solicitors and em. It now appears, howe ployment benefit consultants—it this body will not be separately with projections, the probis more difficult for the inestablished but will form part lem has typically been that sion plan to obtain advice of the right quality.

Normally he has to place his trust in an insurance broker or salesman, and will have no way of knowing whether he is being sold the right kind of policy. Typically, there will be a lot of emphasis on the tax being saved, but the size of the ultimate benefits may not be very clearly stated.

This is by no means a new problem, but the growth of the personal pensions business has made it more important — and the Government has accepted that in encouraging still further expansion in individual provision for old age it must ensure that investor protection standards are raised in

It should be pointed out, however, that the worst form of abuse—a swindler running off with his client's money - has fortunately not been a feature of the personal pensions scene. This is largely because pension plans have been kept as a monopoly of the tightly-controlled life assurance industry.

Life companies are not always efficient, but they are clean. In removing the in-dustry's monopoly the Govern-ment will have to be sure that standards will stay high in this

There are however, two areas of concern. One concerns the role of the intermediaries who sell policies. At present, anybody can sell pension plans without any need to demon-strate his qualifications for operating in such a complex field. Moreover, there is a very poor level of disclosure of commissions and other sales charges which is leading to congetting a good enough deal.

The other problem area is at company level, with the wide-spread production of promotional material whose claims about future benefits are unstandardised and often confusing to the layman. - Here, too, the disclosure of costs is usually poor, if not non-

existent. separate legislative measures. On the one hand, the Depart- pany pension arrangements. ment of Health and Social For Security is promoting laws relating specifically to pension plans, and it is putting forward Occupational Pensions Board as the agency for watching over standards in this

particular field. Meanwhile, however, the broader questions of investor protection are the responsibility of the Department of Trade and Industry which is sponsoring the Financial Services Bill. At one time a specialist body called the Marketing of Invest-Board was to have been

MIBOC is now engaged in intensive negotiations to establish specialised self-regulatory organisations which will be

watchdog agency investment markets. For the time heing, however, an embryo MIB called the Marketing of Investments Board Organising Committee (MIBOC) continues to exist, under the chairmanship of Mr Mark Weinberg of Allied Dunbar.

Another body, with the pro-visional title of Lautro (Life and Unit Trust Regulatory Organisation) will be responsible for the companies. Work-

covering all the securities and ment returns into the future

expected to draw up rule-books for practitioners in the savings industry and monitor their observance in practice. There will be disciplinary procedures for punishing transgressors. For example, investors may need to become aware of the

existence of a body tentatively called Lutiro (Life and Unit Trust Intermediaries Regulatory Organisation) which among other activities will set tests to decide whether salesmen are properly qualified to sell, for personal pension

It now appears, however, that sions should be disclosed.

can give an enticing but wholly unrealistic idea of possible henefits in 20 or 25 years' time. This is particularly so when the calculations are based on high implicit inflation rates, but the benefits in the distant future are compared directly with prices and costs expressed in terms of today's money. Moreover, investment returns in the past decade have been unsus-tainably high, and projections must take account of this.

This is tricky enough, but there is even more at stake with disclosure of commissions, a measure which is strongly resisted in the life industry because of fears that investors would be put off buying pro-ducts such as pension plans if they were made aware of the size of the deductions.

Commissions on sales are only part of the costs involved in savings plans, however. The management companies also impose substantial charges. It has been estimated that the total charges involved in a personal pension plan are equivalent on average to the deduction of 20 per cent of the premiums as they are paid.

take action in this area. The like the projection of benefits, Social Security Bill indicates and the way in which commis that limits may be imposed on commissions or administrative does not result in the pro vision of benefits for or in respect of members." There is also the question of

The DHSS appears keen to

the risks in investment. The Government has talked, without being specific, of "prudent investment standards" and the implication is that investors, or their advisers, will not be allowed to gamble away personal pension funds in the futures markets or on highly speculative business projects speculative business projects. Although, as in other aspect

of investor protection the Gov-ernment has indicated that it wishes to take a firm line, the details are far from clear at this stage. In any case, the Social Security Bill and the Financial Services Bill are two substantial pieces of legislation to be going through parliament at a time of political uncertainty, and the final shape of the law cannot yet be taken for granted.

From the point of view of personal pension plans, much will depend on the detailed future by the OPB and by the vet-to-be-named successor hody to the Securities and Investments Board.

Barry Riley

Effects on Employers

Doubt over proposals

MR NORMAN FOWLER, the Social Services Secretary, has maintained throughout the period of his review on pensions thet he strongly supported why they have not made occupational pensions and that arrangements in the past. the Government's policy was to age company pension schemes,

Employers may well take a different view now that the Government's intentions have been crystallised in the 1986 Social Security Bill published last month. Some pension con-sultants are extremely doubtful The Government is focusing about the proposals and feel on these problems through two that they could have a detri-separate legislative measures. mental effect on existing com-

those employers at without any company present pension scheme, the Bill does set out to encourage them to make such arrangements.

First, the proposals will make contracting out of the State Farnings-Related Pension heme (Serps) much easier. Secondly, there is a direct financial incentive of an extra 2 per cent National Insurance contribution rebate during the five years from April 1988 on

all pension schemes set up

during the next few years.

those employers without pension arrangements to proposals will most likely depend on the basic reasons why they have not made such

An employer currently wishcontinue to foster and encour- ing to make pension arrangeside of Serps has to set up a scheme based on final salary or averaged revalued salary. These defined benefit schemes an open-ended financial com-mitment, and the administra-Nevertheless, if em tion procedures for contractingout are extremely complex and consuming.

employers used these features as reasons (perhaps excuses) for not doing anything. Employers could pension schemes on top of Serps, but for many this action

has been regarded as too

The new arrangements in the Bill avoid both these problems. In future company pension schemes set up on a money purchase basis will be able to contract-out of Serps providing they fulfil a simple minimum contribution test. Under a money purchase scheme, the employer has full control over However, the reaction of the amount of contributions

paid in and financial commitcedures for contracting-out are straightforward.

The minimum cost for such pension scheme will be no more than staying in Serps. So these employers may well feel ments for his employees out- that they can now go forward with setting up pension schemes for employees under this new environment, However, any such decision may involve the employer taking on not be taken until after the

> Nevertheless, if employers have not made any pension arrangements because they do not regard this as part of their responsibilities towards their employees, then the Bill is unlikely to encourage them to change their minds. The Bill. unlike the Green Paper prodoes not force employers to make any arrange-

> These employers may still continue to hold the view that the State for their pension even though the earnings related element provided by Serps is being drastically cut

> > CONTINUED ON PAGE 6

a somewhat he employee y morrages of with vension AVC control of the sale of t

PAST PERFORMANCE Vonual Promium £500 male 19 years 11 months attained Retirement Age 65 (5 premiums paid). Return on death: Premiums paid without interest.

FRIENDS' PROVIDENT (January 1986)	£4,867
FRIENDS' PROVIDENT (November 1985)*	£4,677
NEXT BEST OFFICE (Planned Savings: November 1985)*	£4,486
AVERAGE OFFICE IN TOP TEN (Planned Savings: November 1985)*	£4,269
LOWEST OFFICE IN TOP TEN (Planned Savings: November 1985)*	£4,090

*For policyholders retiring on 1st September 1965.

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both contributions and

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requirements.

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Value

for money

Charges

are competitive

and in addition

it so flexible and convenient that it's easy to meet all your clients pension needs. Talisman from Scottish

Life. It's got an age of

Effects on Employees

Freedom to choose has its pitfalls

tributions.

PERSONAL PENSIONS for all bill will bestow a legal right to employees has been one of the main planks in he Government's ployees.

Bill will bestow a legal right to adequate for those retiring in a personal pension on all continuous title next century.

If these employees want to some pension plan with an retorm of the UK social security the idea was first put forward ployees has been maintained, nearly three years ago by Mr the complete freedom envisaged Nigel Vinson (now Lord Vin- in the original CPS paper has son). Mr Philip Chappell and been curtailed in many respects.

Mr Philip Darwen. There is not complete invest-

Their now famous paper presented to the Centre of Policy Studies advocated that employees will not be able to hold ployees should be able to opt out of both the State Earnings Related Pension Scheme (Serps) scheme and make their own pension arrangements. This theme was immediately adopted by Social Services Secretary, Mr Norman Fowler, in his review

of pensions. Throughout the various proposals put forward by Mr sonal involvement if he so de-Fowler in each successive docu- sires. ment — the Blue, Green and White Papers — one major idea Bill as they affect employees remained central and unare: changed — that all employees panic would have the right to make ment their own personal pension arrangements which they would be able to take with them when

SINCE ONE of the main

declared aims of the Govern-

ment's new legislation on social

public

and unit trusts.

However, though the principle and pensions system ever since of freedom of choice for em-

their own personal pension portinvestments. The assets will not be able to be used for an individual's own venture capital if he decides to set up his own

Nevertheless, the employee is choice in his pension arrangements and much greater per-

The main provisions of the For employees in companies with no pension arrangement, they are affected by the other major reform-the modification in Serps. Employees who intend to rely solely on the they changed jobs.

Now the 1986 Social Security

state for their pension will find the ultimate benefits far from

secure an adequate pension. then either they persuade their pension arrangements under the Bill, or they make their own personal pension arrangements.

Employees whose employers have company pension arrangements will from April 1988 (the proposed date for implementing the changes) have the right to opt out of their employer's scheme at any time and make their own personal pension arrangements. However, once they have opted out, their em-ployer is under no legal obligation to readmit them to the company scheme.

sonal pension are: minimum contribution ployer equal to the contractedout National Insurance rebate expected to be 53 per cent. Higher contributions can be paid—the maximum is not vet known-but employers under no legal obligation to state for their pension will find contribute more than the mini-

invested in an approved per- 1988. onal pension plan with an Em The Bill extends the choice of institutions from the present life company monopoly to include banks, building soci- them? cties and unit trusts. There It v cties and unit trusts. will be tax relief on the con-

Personal pensions will operate on a money purchase basis. Under this system, contributions are invested and the accumulated cash value at retirement used to huy an annuity from a life company. The personal pension plan will irclude provision or spouses' pen-

• Transfer value payments changes jobs can be invested in a personal pension. However, an employee leaving the nension scheme but not changing jobs cannot take the transfer Fimployees will have the right

to him back into Serns. To encourage employees to take out personal pensions, the the underlying funds goes to the Government is giving an extra employee. On the other hand 2 per cent contributions during he, and not his employer, has

the five-year period from April.

approved financial institution, choice in their pension arrangecide on the best course of action and who is available to advise

> It will not be easy for employees to make comparisons be-tween the benefits provided by a company scheme and those from a personal pension, simply hecause one is not comparing like with like. A company pension scheme

usually pays a pension that is related to an employee's salary at or near retirement - known as a defined benefit scheme. A growing number of employers are revaluing pensions to mitiavailable from his old com- gate if not match the loss of pany's pension scheme when he value through inflation. Company schemes usually provide other benefits at a generous level - lump sum death in service benefits, widows and de-

pendent's pensions. With a money purchase personal pension, the employee gets what he pays for. The benefit of investment performance of

vices Bill will apply to pen-sions, discussed in another article. The Social Security Bill lays stress on protection for the employee against mislead-ing advice and unscrupulous salesmen.

The White Paper laid, great emphasis on providing em-ployees with information in a form which would enable him to make a rational choice between personal and company

Life companies have been discussing the problems of pre-senting quotations for more than two years with as yet no agreement on how to proceed.

Now the solution to the prob-

lem rests with the proposed Life Assurance and Unit Trust Regulatory Organisation Regulatory Organization Organization — the body likely to supervise life assurance companies and unit trust management groups under the new framework. It needs to liaise closely with the Occupational Pensions Board.

Bernstein, a research fellow at the City University. And al-

though a large proportion of this is in the form of commis-

sion payments, a significant

amount is simply administration

When the Government

initially proposed the abolition

of the State Earnings Related Pension (Serps) some life in-surance companies simply threw

up their hands in horror, saying

that the administrative burden would be too great. Even the largest companies with the most

extensive back offices, such as

the Prudential and the Norwich

Union, expressed concern.

saving that with new technology

computerised pension admini

stration would be cheap enough

to run, even for very low levels

Is this confidence misplaced?

Some observers warn that al-

were more confident,

Eric Short

Doubts expressed over proposals

CONTINUED FROM PAGE 5

like that, then they can make their own pension arrangements. The Bill's proposals to introduce personal pensions will reinforce the view that employees can make their own pension arrangements.

The attitude towards the Bill by employers with good long established pension arrangements is likely to be quite different. Mr Fowler may well have claimed that he always had the goodwill of occupational pension schemes close to his heart, but in-ployers may feel that his actions in the Bill belie this may also be an initial cooling-

These employers could well regard the Bill as bringing yet more Government interference - considered largely irrelevant -to company pension schemes. causing more work involving more expense.

Employers are currently still grappling with the radical changes imposed on their pen-sion arrangements by the 1985 Social Security Act. Now they are faced with making further changes in 1988.

Employers with pension arrangements have three courses of action regarding the provisions of the Bill.

 Make the minimum changes to their scheme that will be necessary to comply with the provisions of the Bill.

Take the opportunity to completely rethink their pension arrangements to bring them into line with modern employee needs.

• Cease their pension arrangetheir employees to make their own pension arrangements.

Most employers are likely to take the first option and change their scheme solely to conform with the new legislation. Their schemes are too well established, and an integral part of employee relations, to terminate. Also pension scheme managers and trade unions are even more conservative towards pension arrangements than pension consultants to consider uprooting and redesigning existing schemes.

The minimum changes involved with the Bill are:

 Eligibility. The membership of company pension schemes effectively becomes voluntary, since employees will have the option to come out of the scheme and make their own personal pension arrangements. Employers need to consider whether to make the scheme. completely voluntary, so that employees can rely just on the State if they want, or whether to continue to make member-ship compulsory to ensure employees will have an adequate pension.

If employees do opt out, then employers, within the terms of the Bill, will be under no ubligation to take them back into their scheme. Employers may consider the terms under which they will take employees baca into their scheme. There off period, so that if an employee opts out, possibly with the encouragement of a satesman, he has time to

reconsider. Widowers benefits. tracted out schemes will have to provide widowers' minimum pensions on the same basis as widows. Many schemes do provide widowers' benefits, often on a dependancy basis. Now employers need to consider whether to allow full widowers' pensions without qualification.

 Employers will have to provide an Additional Voluntary Contribution - facility for employees.

 Refunds of contribution will only be allowed to leavers with less than two years service. Other minor changes will be ecessary. -

Employers are offered the opportunity to redesign their pension schemes to involve their employees more and provide a personal element, to allow for the changing working ments altogether and leave patterns of more irequent job changers.

Pension consultants and consulting actuaries who advise employers on pension schemes are giving a lot of thought to pension design. Leading consulting actuaries, Bacon and Woodrow, are already telling clients about their new idea for pensions in the 1990s, known as Real Value Pensions.

More is going to be heard about new pension designs. It is to be hoped that employers heed

Eric Short 4

Effects on Financial Institutions

Monopoly ends for life insurers

security and pensions was to widen the range of choice for the individual, it was small surchoice is to be widened is the margins on their life and pentypes of institution that may offer pension plans to the plus an additional 1 per cent of the amount of life insurance Life insurance companies. which have hitherto enjoyed a cover at risk. monopoly in the provision of

full-scale pension arrangements. cover forms important element in personal now face the advent of competition from other institutions pension contracts, since benesuch as banks building societies fits may have to be provided for widows or widowers in case the main pension contributor The Association of British dies before retirement. Insurers (ABI), which repre-The Association feels that

sents life and other insurance other institutions entering the companies, has criticised the field of personal pension pro-vision should also have to conin Mr Norman Fowler's White Paper. Life companies are not opposed to competition, it said, but that form to these solvency requirements. If they want to offer pension contracts, they should competition should be fair. form their own subsidiary life The ABI argues that life cominsurance - as many banks and panies are subject to particular unit trust management groups financial and regulatory conhave done already. straints to ensure that they are

able to meet their obligations suggestion to pension contract holders, might inadequate of personal pensions.

rules these include the require-ment to maintain solvency society executives, who welcome the opportunity to extend their sions business amounting to 4 activities in the pension field per cent of their total assets, beyond the administration of Additional Voluntary Contribution (AVC) plans on behalf of

company pension schemes. Under their own batch of new legislation—the Building Societies Bill now passing through Parliament-they will be permitted to set up and administer personal pension schemes.

The market is ripe for the building societies. Research undertaken by some societies suggests that 15 per cent of all building society holders already have personal pension plans of some sort. But this figure is only a third of those who are eligible for such plans under existing legislation. suggesting a potential market of another 8m people, even before the new bill extends the scope

posals for personal pension rereputation for financial replan is considerable. liability and their extensive. The regulatory branch networks. They are also experienced in handling deductions from employees' pay at source, through their in-

volvement with AVS schemes

and company share option

savings plans. Some building societies have already dipped a toe into the personal pensions water. The Halifax, for example, has teamed up with the Scottish Mutual insurance group to launch a personal pension plan. Investors have the choice of a low risk fund invested in the Halifax's deposit accounts or somewhat higher risk funds managed by the insurance com-

For unit trusts the case is less Association, in its response to clear. Many management groups the Government's initial profor comparatively small sums, form, argued that the societies but the leap from this to the are particularly well placed to sort of administrative structure believed necessary for a pension

The regulatory framework governing unit trusts is also much less extensive than that surrounding either life companies or building societieseven after the provisions of the Financial Services Bill, now being debated in Parliament, take offect.

The problem for all these groups is the sheer cost of administering thousands of very small pension contracts-far smaller than the present minimum size for most personal pension plans, and perhaps as little as £200 or £300 a year. At present some 20 per cent

of personal pension premiums is swallowed up in insurance company charges, according to calculations by Mr Geoffrey

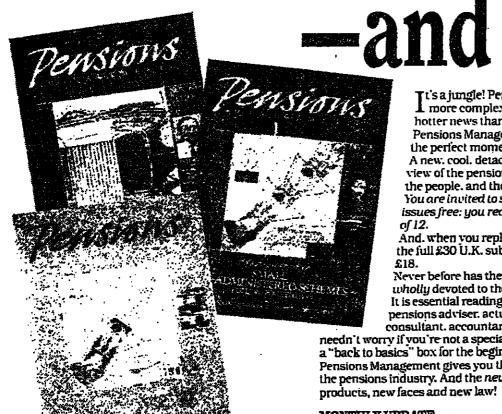
though it may well be possible to administer very small pension plans cheaply enough, the effect on more profitable executive business could be

of premium.

George Graham

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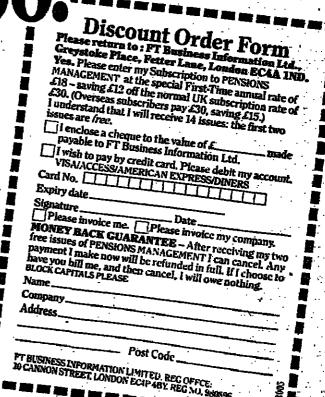
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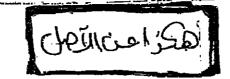
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Squatter hazard

My wife and I own a country have incurred the expense so cottage which we use only as a that you can perform your

getting the squatters out.

You appear to have received

Could you say what the law is quite generous treatment—

now and what series of actions generous, that is, in relation to

duties better is a matter of

private choice and we do not consider an allowance is due." Elsewhere, "expenses incurred

in order to keep abreast of the

Like most lecturers, I would

expenditures even if they were

not allowable for tax purposes,

yet I am surprised that the

firmly against excellence and for mediocrity.

higher than that borne by the

by the self-employed surcharge (class 4 NIC)

Arrangement

fee disallowed

investment with the help of a bank loan. In calculating the taxable income I deducted

the sum of £750 charged by the

I recently bought a shop

The tax inspector has

disallowed this deduction.

He states: " One reason for

not used to purchase the property only to make it pos-

this is because the charges are

sible to do so." Is the inspector

Yes. Ask the inspector for

copies of the free booklets IR11

(Tax treatment of interest paid) and IR27 (Taxation of

income from real property). It is rather a pity that you did

not seek tax advice from your

solicitor, when negotiating the

purchase of the property.

Right to pass

on a tenancy

When my father died in 1961

inherited a bungalow which

The husband died in 1969

tenant ever since and has now

lived in the bungalow for some

"I will be retiring soon and at

whatever time the present

property to improve the

legal right to pass on the

ludicrously low rent. I would be grateful if you could fell me if she has the

a necessary expense. According tenancy to a relative or other to the IR "the fact that you person?

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average yield, with particular emphasis on:

... THIS COULD TURN OUT TO BE QUITE A SNIP AT 90p A SHARE ..."

14 Hairdressing Salons in London and Essex;

tenant leaves or dies I would

like to realise the capital on the

and the wife has continued as

had a husband and wife for tenants paying a controlled rent on unfurnished accommodation.

self-employed, generally speak-

he willing to make these

subject is not allowable."

holiday home, and which is :

consequently unocrupied for most of the year, it contains little of value and is in any

event fully insured so we are

What does greatly worry us

though is the possibility of squatters. I seem to recall that there was quite a lot of this

some years ago and the property owners had great difficulty in

we should take if squatters secupied our cottage? Is it pos-

sible to have electricity, gas, water and telephone cut off in

such a way that the squatters

could not get these services put

There is a speedy summary pro-cedure for recovery of posses-sion against squatters. This is done under Order 24 of the

I am a University lecturer in a relatively depressed part of the country. My negotiations with the local tax office have

given me a clue to why the area is depressed.

about allowable expenses in my

employment, Most lecturers spend several hundred pounds a year on professional books.

In considering the books as an allowable expense the tax office wanted confirmation "that

these books were used solely for the preparation of lectures and not for the furtherance of

your knowledge." To be fair

the tax office did not press the

accepted the expense even when

matter further and has

it was admitted that some knowledge had been gained

micro computer is not an

from the books benght. The Inland Revenue, however

has been adament that a small

allowable expense even granting that it is used whelly and exclusively for university work.

The argument is that it is not

each at a price of 90p per share.

Twickenham - and now has:-

4 Hairdressing Schools;

in the UK and abroad;

income

The negotiations have been

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D John Govett Unit Management Limited



tax system works so openly and

I am a student in higher education and for the last five years have spent the summers working in West Germany. In 1983 West German law allowed students to escape was changed: tax was charge and had then to be reclaimed at the end of the year. unless the taxpayer has been resident at least six months of the tax year, so that I could not recover any of the tax paid. Is this not contrary to the Treaty of Rome? The tax levied in the FRG com-

be levied in the converse situa-

The widow tenant does have the right to pass on the tenancy to a member of her family who is residing with her in the bungalow at the time of her (the tenant's) death. She cannot dispose of the tenancy by will, nor can she take in a relative at the last minute to "create facts."

No non-resident

generous, that is, in relation to the notorious rigour of section 189 of the Income and Corpora-tion Taxes Act 1970. Section 189 serves two purposes: it is administratively convenient and it enables tax to be levied from paying tax; but in 1984 this employees at an effective rate ing. The balance of tax burdens between the employed (sched-ule E) and the self-employed Unfortunately West German law does not allow rebates plies with the Treaty of Rome and with the FRG-UK double

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Many social and sports clubs may hold valuable assets but they could be in trouble with the taxman when they attempt to sell them., David Cohen explains why.

Eight years later, following clubs.

WHEN the members of Worth-ing Rugby Club decided in 1977 to sell off their valuable town tax rebates centre ground and buy a

taxation convention, from the facts outlined. (UK tax could

scope for something less ambitious. A golf club could find that by selling off part of its 18th hole, it can afford improvements to its 19th.

Property aside, the club might find that a work of art at a large profit, the Revenue or small shareholding had absolutely no difficulty in bequeathed to it in the dim and distant past has become of significant value. Whatever the asset, though, the tax effects of cheaper site on the outskirts, selling it are likely to be far targets—the club, the members they expected to make a profit more complex and the main and the trustees. Whichever of more complex and the main and the trustees. Wnichever of of more than £130,000 from the cause of the complications is the anomalous legal status of

Inland Revenue intervention A few exist as limited and a High Court battle, this companies and are taxed on their gains in the same way as was converted into a net loss of almost £60,000. The case has ordinary commercial companies. important implications for all However, the vast majority of clubs owning land or other British clubs are unincorvaluable assets.

Soaring property prices have means they are not regarded means they are not regarded property prices have means they are not regarded property prices have given many old-established clubs the chance of a windfall as having legal personalities of their own. Although a club's pur-If a company owns an asset

pose is normally to provide the owner of the asset is the amenities for its members, company—not the shareholders. rather than make money, the In the case of a club, though, ownership will be vested in the individual members. two aims need not be irreconcilable. Where the surrounding area However, it is obviously not has been developed after the feasible for an asset to be

club moved in, it should be pos-registered in the names of all sible to switch to an equally the members and, where land suitable but much cheaper is concerned. English law will purely nominal, there was no not recognised by English law, ground in a less sought-after not allow more than four joint question of the liability falling the court was prepared to location. Or, if a complete holders. So, in practice, club on them (However, trustees of recognise it for the purpose of switch of venue does not appeal property will be held by three other clubs should not neces-

Taxation

Playing the game with the Revenue

Which brings us back to Worthing Rugby Club, an unincorporated association with three trustees holding its land.

When the ground was sold deciding that it wanted its share of the spoils. The difficulty was in deciding from whom to take it. There were three possible these three owned the land would be liable to pay the Capital Gains Tax (CGT) on the profit. But which did own it? Supporters could be found for each of the potential

candidates. A layman—uncluttered legal concepts—would almost certainly have identified the club as the landowner, but a lawyer would explain that its lack of legal existence made Revenue implicitly acknow-the members the true owners. ledged the futility of this course And the Land Registry for the area would, if asked, have reported that the land was held by the trustees.

the role of the trustees was Although a club is generally

the decision in the Worthing had to pay not only Capital case was based upon the Gains Tax but also Develop-specific wording of the trust ment Land Tax, which was deed. If the deed had given the abolished in the 1985 Budget.

their own pockets). The club tried to convince the court that the tax liability should be split between all the members equally. This would the owners. llowever, apart have been a very frustrating from the risk that an awkward result for the Revenue.

of tax from so many people scheme would almost certainly have been an administrative nightmare, but the yield would have been very small because most of the members could the property can be set up in have fallen back on their such a way as to divorce the annual CGT exemptions. by issuing tax assessments against the club and the crustees, but not against any of the individual members?

However, when the matter came to court, it was the on a technical interpretation of the relevant tax sections—was liable.

to the members, there might be of four trustees for the whole sarily be totally reassured by Worthing ended up with a scope for something less membership.

this, Although club trustees far higher tax bill than a club this, Although club trustees far higher tax bill than a club will generally be in the clear, would get nowadays because it

trustees more rights they might Nevertheless, CGT remains have faced a tax bill which, if a heavy cost. What can other the sale proceeds had already clubs do to try to shift it on to

been used up, would theoretic-ally have had to be paid out of Worthing had Worthing had considered transferring its land to each of the members in equal parts before the sale. Theoretically, this would have put beyond doubt the fact that they were Not only would the collection sale, the artificiality of such a

> condemn it to failure. There might be more chance if the documentation relating to the property can be set up in The asset from the club and to emphasise that it belongs to a group of individuals who just happen also to be the members of the club.

The advantage of strategy for the club is considerable, but the possible disadvantage for the membershould not be disregarded. Li the Revenue did decide to try to assess them, the members would risk being taxed on a profit they had not received.

David Cohen

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ABOUT 63 ACRES IN ALL Chelmsford Office, Coval Hall. Tel: (0245) 58201 (Ref: 2/AC/7005) The last straws

ottages and houses that are rapidly moving into a high-price bracket. The visual attrac-tion, plus the benefit of being summer, all contribute to its appeal. There are at least 100,000 thatched buildings in Britain, and they are increas-

It is important to know your thatch. Property details sup-plied by most estate agents rarely tell you what kind of material has been used, or when it was last done. And a recent television programme brought a scare by saying that thatched roofs lasted only two years. "This amazingly inaccurate information resulted in a spate of worried owners contacting us," says Robert West, managing director of the Thatching Advisory Service at Pinchampstead, Berkshire.

He points out that, at the very worst, a long-straw roof will last for 10 to 12 years even if put on badly. "If it is well if put on badly. "If it is well laid, it could remain sound for as much as 20 years. Combed wheat reed, the next best material, normally has a life expectancy of 30 to 40 years while Norfolk reed, the best, should be good for 60 to 80

West, who for £28.75 a year runs a 24-hour emergency repair service, adds: "In the West Country, though, you could find that your roof does More humid conditions help there is normally no moss and lichen to grow, and the reed or straw to break down. The pitch of the roof

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THATCH was once a poor man's counts, too. Anything less than Norfolk because of the large roof. Now, it is in demand as 45 degrees means water runs number of croppable beds in a fashionable covering for off slower."

The Ministry of Agriculture, Fisheries and Food has given a grant of £46,000 to Bath University and experimental thatch roofs are being built there so that the effects of fungi, nitrogen, rain and sun can be examined by a fungal ecology specialist, Dr Alan Rayner.

How do you identify your thatch?

winter normally wheat, recognised rounded, curvaceous outline it gives to a property and the long lengths of straw visible on the roof. At eaves and gables, there is normally a pattern of hazel "liggers" or rods, holding the thatch in place, and the whole roof is generally covered with wire mesh.

Combed wheat reed is also winter wheat, but it is passed through a comber to remove debris and weeds and is laid in a similar fashion to Norfolk reed. A roof in this material looks rounded as new layers of thatch are often fixed to old, making the roof covering as much as two feet thick. The butts are pushed or dressed into position, and the thatch is also covered with wire. covered with wire.

Norfolk or water reed is laid directly on to the rafters with old layers being stripped away. This gives the effect of a much more angular covering as it outlines the shape of the roof. not always stand up to the outlines the shape of the roof. clements as well as it should. It is dressed into shape, and covering.

Reed is commonly called



Water-reed thatched new 4-bedroom homes from £117,000 at Woolstones, Milton Keynes. Details Bovis, Harpenden, Hertfordshire (05827) 66661

that county, but it is also grown commercially in areas as far apart as Dorset and the Tay Estuary. The best reeds are between now and March when wind and frost will have stripped the "flag" or leaves from the stems, making them a pale straw colour. About 1,000 reeds make up a bundle, which is then stacked to dry out before being combed to remove unwanted grasses.

PROPERTY

Once you know what has gone on the roof, its age and life expectancy can be ascertained. Signs of deterioration show by discoloration, slipping, growth and loose, uneven looking thatch. Where water has penetrated under the eaves, a thin black line will show. After seven to 10 years, this will be an inch or more thick with black triangles.

After five or 10 years, the wire mesh will begin to crack When the ridge rust. (usually made of straw or sedge), starts to go, it is time to replace it as well as re-wire. Costs for re-ridging are about \$25 per foot, with re-thatching between \$3.50 and £4.50 (plus VAT) per square foot. (A thatched roof is actually measured in "squares"—an area 10 ft by 10 ft.)

though much has been done to counteract the risks of fire. A water-based chemical solution can be injected to retard the spread and penetration of flame, with a harrier foil fixed directly to the rafters by battens. This resists fire and acts as a thermally reflective insulator.

Premiums vary between £3 and £3.50 per £1.000 on a thatched building, compared to around £1.25 and £1.60 on a house with a tiled roof. Specialists in insurance for thatch are the Country Gentleman's Association, Letchworth, Hertfordshire; the Thatch Owners Insurance Agency, Heath Road, Twickenham, Middlesex: Burgoyne Alford. North Street, Horsham, West Sussex and the

Where to find your thatcher? The Council for Small Industries in Rural Areas (CoSIRA), 14 Castle Street, Salisbury; Wiltshire, will forward enquiries to members of The Master Thatchers' Association in the appropriate district. The TAS, with a group turnover of more than £1m a year, has 17 franchise - thatchers covering



The 6-bedroom Collabear House in 21 acres in Tawstock, Barustaple, North Devon. is a 16th century yeoman's house, recently rethatched in Devon wheat reed. Offers in region of £115,000 through Strutt & Parker (0392 215631), and Phillips Sanders and Stubbs (0271 75784)

Devon, along to Kent and Sussex, and up to Norfolk and Scotland.

To promote better under standing, both by thatch enthusiasts and property professionals such as surveyors, estate agents and architects, the TAS has organised thatch seminars and those attending can practise laying the reeds on an actual roof. Details from Tessa Blair, TAS, 29 Nine Mile Road, Finchampstead, Berkshire (0734 734203).

Also produced is a magazine, Thatch, which shows how effective it looks on everything from a bus shelter to new houses by Bovis.

"Due to its intrinsic charm, there is tremendous demand for thatch in our area," says Robin Thomas, of Strutt and Parker's Exeter office, He quotes Brook Cottage, Kenn, which attracted many offers from as far away as Oxford-shire and finally sold on a sealed bid for well over the guide price of £55,000.

Strutt and Parker's Salisbury office recently sold two thatched properties around the £200,000-plus mark—the Fight-ing Cocks in the Woodford Valley and Water Cottage at Abbotts Ann, near Andover. It also received more than 600 enquiries worldwide for the picturesque Squalls Estate in 160 acres at Ansty, near Salisbury. The 16th century five bedroom, three bathroom house at Squalls is thatched;

together with its annexe, cottage, stable yard, indoor riding school, tennis court and swimming pool, it sold immediately. But the nurchaser withdrew. so the estate is on the market again in excess of £1.1m. Brochure from 0722 28741.

Thatch for sale • Rose Cottage, South Moreton. Oxfordshire; its thatched roof was re-ridged and re-wired about three rears ago. In excess of £210.000 (Christopher Stephenson Inter-International 048839 654).

Thatched Cottage. Terling.

Essex, with wired straw-thatched roof. In the region of £85,000 (Strutt and Parker 0245 58201).

Source Thatch, with a Norfolk reed roof and private access to Ham Manor Golf Course, Angusering, Wesf Sussex Around £149,500, (Fox and Source 1997) and Sons 0903 773131). Meadow Thatch, Sway, in the New Forest, Hampshire, a four bedroom house with a guest annexe, swimming pool and barbecue complex. About

£220,000: (Jackson and Jackson 0590 75025). ● Mayfield Cottage, 16th century, by a trout stream in Lower Tadmarton on the edge of the Cotswolds near Banbury and the proposed M40. In the region of £72,500 (Savills 0295

● In 11 acres at Nutbourne, West Sussex, a 17th century barn with planning consent for conversion into a home. Offers around £95,000. (Cluttons 01-

June Field



The Court House, thatched 15th century 5 bedroom house at Bratton, Wiltshire where courts were once held for the collection of dues for Lord Bath, £125,000 through Humberts, Chippenham (0249 655661)

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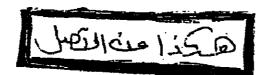
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TRAVEL MOTORING



Taman Mini, a tourist park in Jakarta showing traditional Indonesian houses

Pulau's rise as tourist isle

of Jakarta. In contrast to the propical muces, me read troug the little known, and perhaps uning down at night with a And ISmall Pour are likely to halt often to examine tentatively a two-foots sun set west of Java suddenly in the long sea slug, or play with a becomes nature, pink in tooth and claw.

The contrast adds some bite to unreality. It was less easy the long is been season. in its shell.

hillips Sand

Wired

ath 1125,000

The sun shines; a coral reef June in ringing the island gives a sense of security; the 25 pondocks, or native cottages, house enough Every article of glass and china fellow tourists for company but on the yacht was smashed; the hardly crowd the place; there press party was emotionally hardly crowd the place; there press party was emotionally is perfect snorkeling, scuba bonded for life as they found diving and water skiing for the their own corner to cope with energetic, in a translucent sea; an imminent death which could a restaurant to serve satay and spring rolls; and, to distinguish this new holiday island from its rivals in say, the Maldives or contains a mosque, for the budy that had been washed needs of the discreetly cour overboard, there was a unineeds of the discreetly cour-teous staff, and, for drama, a ministure version of the Komodo dragon is supposed to inhabit the dense bush of jungle in the heart of the island.

But there is the odd drawgosteen tree you can receive a next holiday must. (And, in nasty knock on the head from the kernel of the fruit rejected chartered to return the in-hy the giant bats which chase stantly revived group to the through the branches munching mainland was a 20 what the Indonesians confi-doddle.

THERE IS NOT much wrong favourite fruit of Queen Vic
order of the policy of the policy at the policy at the policy at the policy of the poli on your veranda watching the

> to cope with the sea crossing from Jakaria, which, for those on board, was rather like rounding Cape Wrath on a surfboard. not come too quickly; and when the only half erect survivor, a dauntless woman from the BBC. announced that we would have versal feeling that Indonesia, with a population of over 160m, could survive the loss better than us. The message is simple avoid. Java between November and April. For the rest of Sitting under a man- the year it could become the truth, the light aircraft quickly

over on the weary haul to Australia. Geruda, Indonesia's national airline, is usually among the cheapest carriers to Australia and has long gone via Bali, the only one of the 13,677 islands in the country to be familiar to tourists. But just as the Indonesian Government is persuading farmers to quit Java, with over half the total population, for the little-occupied areas to the east, so is it seeking to promote the attractions of islands other than Bali to holiday makers. A brief halt

at Jakarta has its points. The city itself is like an Asian Los Angeles, with the visitor shooting for miles along highways which offer no sight of the 7m inhabitants, only tower blocks and national monuments. Once inside a hotel you can see the thousands of red roofs across the way, their skyline broken by a towering minaret for this has become the Caribbean, Pulau Putri to stop a moment to pick up a a rather puritanical Muslim country of late, to the detriment of gamblers and seekers after fleshpots. Fortunately your hotel could be the Mandarin, which comes close to emulating its parent hotel in Hong Kong as one of the most welcoming and luxurious in the

It would take an adventurous visitor to uncover all the city's secrets, although locals regard it as a great metropolis. The museum contains fragments of Java Man, who did not quite dently assure you was the At the moment the best turn out to be the missing link

there is a flea market where prices plummet dramatically if you show an interest in an Indonesian puppet or a brass padlock, and a bird market where fighting cocks are on offer as well as the best talking mynahs; there is, in Pasaraya Sarinah Jaya, a bargain-conscious department store where pirated cassette tapes of the latest pop albums cost little more than £1 and kimonos can be purchased for £3; and, around the port area, there are the remnants of old Dutch Batavia, with 17th-century warehouses and sailing vessels which are still used to transport the abundant natural produce of one of the most fertile lands

A glimpse of the profusion of Java is on hand with a quick tour inland to the mountains of the Sundanese people, less than 30 miles from the capital but speaking one of the many hun-dreds of languages which dot this diverse country.

As you drive higher the weather, in January, cools noticeably to the temperature of an English summer day. By the time you reach the tea plantations there is a mist worthy of mid-Wales. But in Powys you do not get the oppor tunity to stop at one of the many fruit markets and barter for a hairy rambulan, a jackfruit which can weigh 30 kilos, or the durian which smells so foul when opened that hotels will not allow you to bring it back, and no airline will carry

Indonesia is a remarkably cheap country. It is best to respecially if you have stopped negotiate a room discount on a hill. Or when you accelerthrough a travel agent for a hotels, like the Mandarin, and then take advantage of the packages they offer—to Pulcui Putri, which, at the moment, is one of only two tourist islands in a group of over 600 which should become a popular playground of the rich; to Eali through a special four-day, three-night offer; to Yogyakarta southern Java,

At the moment most visitors to Indonesia (outside of Bali) are businessmen, often seeking a short break from selling in Australia, Hong Kong or Japan. The less adventurous of them like the safe tuxury of the hotels, but some go for the quite unknown experiences a taxi ride away. largest nation in the world in population, and one of the ichest in potential, Indonesia offers all the predictable recreational pluses—sun. sea, exotic food, and low prices, with a mostly pleasing unpredictability.

Antony Thorneroff

The old XJ6 can still hold its own

SPENDING A week with a you retain full steering control. Jaguar XJ6 3.4 automatic imme- Even in the hands of an insen-Audi 100 Quattro was rather like is a safe car. moving from a super modern. A roomy 45 seater, it has a hixury hotel into one converted huge boot. The slippery snape from a chateau.

the air conditioning and computerised minibar. Instead, you get antique furniture to delight the eye, tall windows you can open and the kind of service that produces a steak sandwich and a bettle of Burgundy in your room at 2 am within ten minutes of lifting the telephone.

The price is about the same. The Audi 100 Quattro with fivespeed manual gearbox — there is no automatic option — is listed at £16.148; the Jaguar at £16,0**9**5. Which is the better car? One cannot possibly say because they are so different. It depends entirely on what you

The Audi's 22 litre, five-cylinder engine overhangs the front axle centre line and its power is split 50:50 front and rear through permanetaly engaged four-wheel drive. It also has ABS anti-lock brakes. This layout gives it an exceptional amount of interior space plus the kind of traction, roadholding and handling that take the skill out of driving well on slippery, winding roads. Snow and ice are not needed to show up the benefits of permanant four-wheel drive. You notice them every time you pull away smartly from the troffe lights in wet weather,

rate hard to exploit a gap in stay at one of the luxurious line traffic. In a powerful frontwheel drive car, wheelspin in the lower gears can be a real problem. With four-wheel drive, it disappears.

Should you have to brake

The Audi 100 Quattro. Four-wheel drive for security,

and good fuel economy, too

hard in an emergency, ABS lets

after a week with an sitive driver, the Audi Quattro

of the body lowers aerodynamic You lose the built-in jacuzzi, drag so that fuel consumption be air conditioning and com- at high cruising speeds is suterised minibar. Instead, you moderate. My average was

nearly 28 mpg. Unless taken up to high revolutions, the engine is smooth and quiet. There is little wind noise at motorway speeds, a fair amount of rumble from the ultra-low profile tyres en coarsely textured surfaces. Visibility is good, unless you are trying to reverse up a

strange drive in the dark, when the high boot gets in the way. The price includes a powered sunroof, on-board computer, central locking, cruise control, electric windows and outside mirrors, alloy wheels and metallic paint. The only desirable extra is air conditioning desirable because although the heater is fine in winter, the large glass area makes the Audi

a hot car in summer. The Jaguar XJ6 3.4 I drove had the new tweed trim so that opening the door did not provide the rich smell of leather one has always associated with up-market English cars. But in every other respect it felt a car of traditional quality.

The ride must be the envy and despair of other manufacturers.
The all independent suspension is quite soft but well damped 50 that the Jaguar tramples bad roads flat. Yet it has finely balanced handling, corners line, the large central console, nimbly without wallowing and is make it no more than a fouralmost free from tyre noise. At worst, there is a muffled thad a miserably shallow boot. when you hit a drain cover. New cars with fatter tyres make

twice the fuss. Provided the six-cylinder, twin overhead camshaft engine



The Jaguar XJ6 3.4. Getting on a bit, but the ride quality is still unsurpassed

and high in the Mercedes-Benz class for case and convenience. The 3.4 Jaguar's overall gear-

ing is on the low side and fuel economy is unimpressive. My 18 mpg reflected typical business use, mainly motorway but with some town driving, all of it at sensible speeds. Really, this Jaguar model is

quite an old fashioned car; it was born in 1969 and has been changed only in detail since then. But its age — or should it be its refusal to grow old? is part of the attraction, providing one accepts it for what it is. The long bonnet and low roofseater with, by 1986 standards, A driver does not notice the

lack of room up front though a passenger finds it hard to change position on a long jour-

Screenwipers and washers have to be operated separately: twin fuel tanks must be filled one after the other: and why does a car need three large keys to wear holes in trouser pockets? The power steering was better than I had remembered though I did not rate it as highly as newer systems like those used by BMW or Mercedes-Benz or, come to that, Audi.

But none of these things really matters if you are a Jaguar kind of motorist. For all its little faults it is a superlative car to drive, if not quite so attractive to ride in as pas-

My wife and daughter have told me for years they feel sick after riding with me for an hour or two in a Jaguar. Is it, I wonder, something to do with the side force created by its instant

is kept below 5,000 rpm, it does not raise its voice unduly. The three-speed automatic trans-not notice it when driving, ormission is smooth and has a when riding as passenger on a. manual shift between middle and high in the Mercedes-Benz class for case and convenience. roads, I saw her point. While driving, though, she had nothing but praise for the Jaguar, rating; it a superlative car.

For sheer urbanity plus high performance, the only car that is the Jaguar's equal is that other far from young luxury carriage, the Bentley Eight, Forits price you could have two Jaguar 3.4 automatics and enough left over for a reason? able holiday apartment.

Will the new, lighter Jaguar XJ-40, due to make its debut this October, have a better ride. and greater refinement than the XJ-6? It will be doing well is

Beat in-car thieving

Along with car aerial-benders, thieves who take in-car entertainment systems are a present-day pest. Electric aerials that retract into the bodywork beat the vandals at a price. Now comes two ideas to deter the thieves. Blaupunkt (the in-car entertainment arm of Robert Bosch) has introduced a fitting kit that allows the owner to remove a valuable Blaununkt stereo radio/cassette set from the cor and take it away or -lock it in the boot. Philips has a security code radio that will not work unless the user knows a three-digit number to punch in. A would-be thief know it would pay him to look elsewhere. Stuart Marshall

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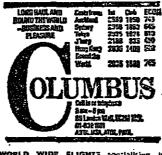
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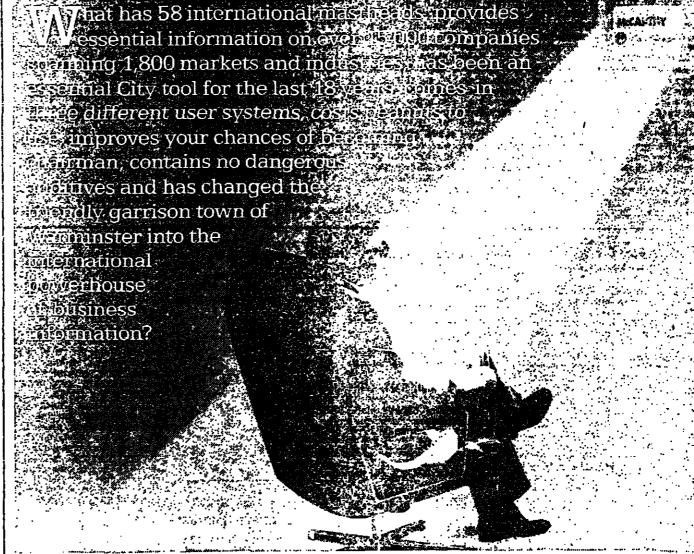
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Archaeology

Marble memories of an ancient art

THE FIRST marble sculptures an important place in the tomb. of the Cyclades—the islands in Some may have been toys. the middle of the Aegean—has Some went abroad, and were ani have all responded to the directness of the Early Cycladic anonymous precursors' use of the local stone, marble.

Now a new museum has opened in Athens with an outstanding collection of these figuries of the third millennium BC which seem as "contem-porary" today as they did then, and yet are the first major step in the great history of

The Goulandris Museum (4 of a shrine. Neophytou Douka St, near Kolonaki Sqare) is a smart building by Mr Yiannis Vikelas with excellent details and a sense of chic. It has been built for the collections of the N.P.

Messrs Gordon Anson and Elroy Quenroe of Washington) so that you cannot avoid the objects; and they are authoritatively labelled in Greek and English. They are on two floors the size of a large commercial gallery. With its carpets, the Goulandris Museum will be just the thing for this needing a break from the hard floors, crowds and size of the National Museum.

Its collection of Cycladic art is second only to that of the National Museum, and perhaps to that of the museum in Naxos in the Cyclades, which fewer people will have the opportunity to see. The Early Cycladic marble sculpture is mostly figurines of women with arms folded below the chest. Some of them are clearly pregnant. They are generally rather flat, almost like planks, but have some bending at the knees—which might lery and marble bowls, jars, indicate lying down. There is palettes and saucers, of simusually a prominent tilted back head with an even more prominent nose — features picked up in Modigliani's paintings.

the tactile power of the different parts of the body. The sensation comes from both the crystalline white to pale bluff marble and the solidity of its carving. There of the daily life of the Cycladic are signs of movement, hands starting to go round the waist, a head starting to turn. The effect is direct. The figurines cut across the millennia since they attitudes to be enjoyed.

But what were they used for? They certainly had uses, and were not art for art's sake: but there is little agreement on what the uses were. We may say they are a form of the Mother Goddess: it is difficult for us now to see what that means. They could what there was on the spot, have protected women in child- gave relief in life and death hirth, the most dangerous point (until recently) of their adult lives. Some were put in tombs, presumably to succour the dead -but often they are not given

been o powerful inspiration to copied in Grete. But a broken masters 4.500 years later, one there was built into a wall bloore, Brancusi and Modigliby the Minoans. At home they seem to have been more valuable, at least to the sculptor. figuries—mostly women—and One In the Goulandris Museum the tactile strength in their broke at the knees. So the sculptor rather than waste the piece put the toes at the knee-joint.

It is easy to see the larger ones being venerated. The Goulandris Museum has just acquired an exceptionally large one, 1.40 m high. It is too big to have been put into the quite small tombs, but it could have been propped against the wall at the back

This figure has exceptional modelling and a movement of which we have only hints in the figurines. Its size demands it be called a statue, marking the earliest large scale sculp-ture in Greece. Likewise 1500 Goulandris Foundation formed by Mr and Mrs Goulandris over the last 25 years. Mrs Gousel classical sculpture were landris is still adding to it.

The collections are beautifactor was that most of these islands forming a circle (hyklos) round Apollo's holy Delos are made of marble.

Another must have been the independence of the small island states, living from farming, fishing, trade and probably piracy. In later prehistory they were swallowed in the spheres of Minoan Crete followed by Mycenaean mainland Greece In classical times Athens came to dominate

The male figurines are rare but often small masterpieces. There are warriors and hunters, and seated lyre-players, with a fine example in the National Museum. Also there is a man standing to play the double flute. The Goulandris Museum has a seated man raising his cup with his right arm, his left folded across his waist. Displayed with the figures are

the pottery, metalwork, jewelpalettes and saucers, of sim-plicity and elegance. Some of the bowls have traces of red ochre cosmetic, used for details on some figurines, and perhaps The women are striking for also for humans, dead or alive. These objects, and the figures, and the burial habits, and the often fortified settle-ments are what are left to us islanders. Smaller cultural groups within the whole show the independence of the different island states. Not surprisingly, some islands deve-

BC Cyclades must have been challenging, if not bleak and barren, as it has been so often since then. Seafaring has been a regular response. The marble figures are an extraordinary one. They made the most of and, with their luminous simplicity, still relieve and give

pleasure now. Gerald Cadogan above a bud and at another to

ONCE THE winter solstice is past, I begin to look for the first signs of spring. In most years, it is a pretty long wait; but until last week it did seem that the mild weather we had enjoyed in the south since a cold snap in November was be-ginning to work the annual magic of a new start to another year.

I would not expect to sea much yet on the heights of the north Hampshire hills, but even on my own farm there was a livisible grening of the young wheat and the grass fields laid to provide feed for the first of this year's lambs were showing quite promising new growth.

This was especially noticeable garden at the Lazard Point and when looking at the fields against a low sun in the morning or evening. Actually, this is a bit deceptive. Real experts, and some clumps of prim-when assessing the crop, count the number of plants to a square metre and do not rely on visual assessment at all. But I am old-fashioned enough to heliave that the assential is to believe that the essential is to see new life in the pastures and grain crops; and, although I will admit that this vew is from the most favourable angle, I don't upset myself by looking for the

As it happened, I had to make a journey to Devon and Corn-wall in glorious sunshine last When grass comes early, it weekend, and took the oppor-saves the farmer having to buy tunty to seek out the first most definite signs that winter was being hedged out.

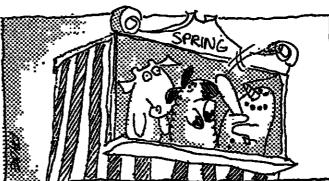
John Cherrington on the signs of coming spring

When cows have five mouths

on the Lizard Peninsula, the southernmost point of the British Isles and lapped by the Gulf Stream? Although the pastures were verdant and there were ewes and lambs in some of the fields, the flowers were being very different about appearing. However, daffodils were well in bud in a seaside probably will be flowering by next week; while I did see our first snowdrops of the winter and some clumps of prim-

noticeboards when they are actually closed?) The lambs, of course, bave nothing to do with the onset of spring. A ewe's gestation period is about five months and these early lambing flocks are producing for the Easter meat market, so the mating has proexpensive feed. Grass is the best feed for a lactating animal,

and the fresh shoots are appe-



tising to the lambs when they start to graze at about a month

Although there was enough grass in many areas to feed cattle, most were still in their sheds. Modern farming recognises that a cow has five mouths at this time of year: one with which to eat, and four feet that will crush and destroy the young grass before the animal can eat it. Sheep, on the other hand, are much lighter and don't do the same sort of damage, so they are tolerated to graze the winter pastures, but within reason.

This qualification is because sheep are very close grazers and, unless controlled, will get the pastures eaten down so bare that they will not grow again when the real spring does even-tually come along. Thus, the farmer has to save some of his fields for cattle alone.

On the whole, though, the country all the way looked as well as I have ever seen it. The grass and cereal crops had that special dark green colour showing they had benefited from the lack of frost so far. The landscape, too. was spectacularly neat. Most Devon and

Cornish field boundaries are carth banks with hedges on top. Until a few years ago, they were kept trim and laid by hand, a skilled and expensive job which had not been done too well in recent years.

Now, though, it seems as if every farmer has bought a mechanical nedge trimmer and spent a few day shaving up fences and the extremities of the farm. These trimmed hedges are not particularly proof against livestock—hut then, there don't seem to be so many animals left.

This has been one of the great changes in British farming since we entered the European Community. Because grain production has been the most profitable and trouble-free husbandry, farmers whose land is suitable have turned over to

It used to be a risky business in the western counties because the mild climate carried attacks of fungus diseases. However, modern fungicides have enabled the farmers to achieve yields unthinkable even 20 years ago. Much of the greenery we see there now are the young plants

It might surprise people to learn that, in spite of the appalling summer, we in Hampshire were short of rain until early December. That has now been put right: on my own farm. nere were seven inches lad month and further southwest month and Insther south-west, about 11. In consequence, the winterbournes on the chalk are running well. These are a feature of all the chalk escarpments which act like a sponge absorbing the rain through their permeable soils and storing it until, eventually, it reappears high up the dry valleys at this time of the west. time of the year.

of wheat and winter barley.

time of the year.

These bournest are the source of famous streams like the Test, the Itchen and the Avon. Because of this characteristic of water storage, the chalk streams have no spate periods, and their flows are seidom affected by short-term rainfall patterns. As a fisherman, I was very happy a fisherman, I was very happy to see the local winterbourne had started again a few days ago. The Test will not run dry this summer.

The bournes are the first real signs of the coming spring; yet. although it was easy to be seduced by the marvellous weather I enjoyed last weekend weather I enjoyed last weekend — the sunniest of the century for the time of year, according to reports—I am not expecting really to feel the spring in my hones until at least the end of February. Indeed, as I write, the sun has vanished and sket is blowing against the window. is blowing against the window.

Gardening

Branch offices

of the time was one I had never ing. It was a long-handled tree pruner with a long shaft of hardwood or tubular steel with a cutting device fixed on top. This is hook-shaped, with a pivoted steel blade that can be drawn into it to make the cut. This blade is operated by a stout, stiff wire running in eyelets attached to the shaft and looped at the bottom into a powerful lever with hand grip. It is in no way a precision tool but it is a powerful one. If the blade is kept sharp (and it is easily detachable for grinding) it will slice through stems up to ? in. thick. This, in itself, is useful but what makes the pruner indispensible to me is that I can reach up with it to cut quite high branches while

Just how high one can reach depends on the length of the shaft and some manufacturers offer a choice. My tree pruners are all Neverbends and these were made and need no pious loped faster than others. | come in three lengths, 6, 8 and attitudes to be enjoyed. | Life in the third millennium | 10 ft. I find the 10 ft pruner rather clumsy and work most of the time with a 6 ft shaft, keeping an 8 ft pruner in reserve for use when essential Even at six feet it is impossible to prune with the accuracy of secateurs held in the hand and that is why garden writers so rarely mention long handled tree pruners. It may seem contradictory to be emphasising at one moment the desirability of making each cut immediately

keeping my feet firmly on the

WHILE PRUNING apple trees be recommending a tool that the other day it occurred to me makes it impossible to do this that the tool I was using most with certainty. In fact this degree of precision is not neceswritten about and could not sary for all kinds of pruning recollect anyone else mention and I seldom try to use a long handled pruner where it is

> The pruning of large fruit trees is largely a matter of thinning and this is quite easy to do with long-handled pruners. Look up into such a tree and it will almost certainly be seen that some branches are much too close together. Some may actually be crossing one another and rubbing when the wind

A little more study will show that some of these stems have more potential than others. They may be younger, or more vigorous or better provided with fruit buds. So the least satisfactory are cut right out where they join another stem or main branch and when this has been done all round the tree it will almost certainly. look very different from when

There may well be nothing else to be done but if it appears that more detailed pruning is required one has the choice of getting close to the work on steps or ladder and using secateurs or trying a long-handled pruner. I do a little of each and sometimes mix the two methods by using a 6 ft pruner from steps or ladder rather than a longer one from the ground

Even with regular pruning there is usually cutting to be done that is too heavy even for looping shears, let alone longhandled pruners or secateurs. Sawing becomes essential and



the only problem is what kind

of saw to use. If the branch is not very thick a narrow-bladed pruning saw will be best as this will slip easily into awkward places. If it is designed to cut on the draw as well as on the push so much the better. The small curved saws known as "Grecian" are usually designed to cut on the draw only which is fine if one is cutting above shoulder height but not so convenient if one can get above the branch. It is always wise to make an undercut first so that the branch falls

They are difficult to start unless one is standing with both feet firmly on the ground and both hands free to hold saw handle and starting rope. I watch with envy skilled tree surgeons swinging about in their harnesses, stopping and starting their saws with apparent ease. I cannot do this and I find it rather frightening to carry a running saw up a ladder even though the engine is idling and the blade is not moving. What I want is a clockwork device which I can wind up and then release at the touch of a button to restart the engine even when I am perched high up. Surely that should not be too difficult.

For heavy lopping a mechanical chain saw may be the best tool to use. If it is electrically powered the only problem will be to get current to the point of action. Long cables reduce voltage and portable expense. Small petrol-engined machines should provide the perfect answer but I have one complaint about those I have

Collecting

Rich pickings in old dolls

"I LOVE old dolls," wrote a poetical pioneer American collector, Mrs Alice Kent Trimper—"the playthings of a gentler age, with rosy cheeks and sparkling eyes, they wonder where the Children are, who held them close in years gone had a pure shells of poured wax, with bodies and limbs of large combinations of cloth

Mrs Trimper, whose fine collection now belongs to the State Historical Society of Wisconsin, bought her dolls when they were still regarded as quaint, valueless bygones. She can never have anticipated the marketability, today, of sentiment and nostalgia like

Dolls are big business. In 1984 Sotheby's sold a 17th century English wooden doll for £17,600; and prices still show a progressive rise. On Wednesday, Sotheby's has an impressive sale off cleanly without stripping of over 200 fine dolls, each of the bark.

For heavy lopping a mech£200 and as much as £9.000.

In the past couple of years the dolls have brought their furry friends to the market too. There is a regular teddy bears' picnic at Sotheby's on Wednesday; a good teddy from the early years of the century with the mark of the German firm Steiff can easily make four figures, Inevitably the booming market encourages research

and a growing literature. Mary Hillier, who has previously contributed the 1968 Dolls and Dollmakers and (as editor) the invaluable Pollock's Dictionary of English Dolls, has just published The History of Wax Dolls (Souvenir Press, £14.95). Allowing for a strong English bias. ft is diligently researched, tracing the art and technique of wax modelling to its origins, and unearthing a wealth of new material on London doll-makers.

Because the making of wax dolls involved so many indivi- France. dual crafts and so many arcane processes to be passed from generation to generation, it tended to be a family business. Mrs Hillier explores the pedigree of the Montanaris, the Pierottis, the Meeches, the Arthur Hellyer | Marshes and the Wheelhouses,

various combinations of cloth and composition. Cheaper methods of production used a papier mache base coated with the tinted wax which can give so eerily lifelike a texture to the skin. The faces were finished with a brushing of violet powder which provided the inimitable bloom to the haby cheek. Alas the bloom has generally faded: wax dolls are the most delicate and

vulnerable of the race. Wax dolls were a field in which English doll-makers excelled. Strangely, in spite of our great ceramic tradition, when it came to the more durable china dolls, this country could never compete with the French and German makers. When World War One cut off the German market, the Board of Trade told the Staffordshire potteries to undertake the manufacture of doll parts; but in spite of successes by firms like W. H. Goss the results were generally undistinguished and the effort did

not outlast the war. Even the collectable Princess Elizabeth dolls, portraying the present Queen in 1930, were imported from the German firm of Schoenau and Hoffmeister. Wednesday's doll parade at Sothebys is mainly made up of bisque dolls, exemplifying the achievement of some of the finest continental makers, like Simon and Halbig, Kammer and Reinhardt and Armand Marseille of Germany and

Casimir Bru and Jumeau of There is an awesome expertise attached to doll collecting. with technical terms like "wired," "fixed," "intaglio," "googli" and "firting" applied to eyes, and "open-closed," "pouty," "bee-sting" and "water-melon" describing

different categories of mouth The final test, though, is really the degree of portraiture. character and feeling implied

in the heads. The best of them can be astonishingly lifelike and touching. In general the German taste was for appealing. soulful little faces. They clearly went for emotion: Sothebys have one German boy baby whose face is permanently fixed in an expression of crying misery—a demoralising object for the nursery, one might suppose.

French dolls tended to be tougher and more chic. The dolls of Leon Casimir Bru and his son—who produced costly dolls in Paris in the last quarter of the 19th century and were celebrated as the sole producers of beesting lips have the insolent charm of miniature courtesans. Sothebys expect Wednesday's top price for a seductive Bru redhead, whose worn but stylish apricot silk dress conceals a fisque bosom and a label on her tummy threatening action against counterfeiters.

doll in the sale (the estimate of £4-600 printed in the catalogue is an error: a nought has dropped off the end) is a pedlar doll, rare for the prettiness of her bisque head and the plenitude of her stock-intrade. Her basket of wares includes not only pumps, pins, pen-knives, lorgnettes, ear-rings, pin-cushions and playing cards, but also several smaller

dolls. Alas, where there are riches, there is also usually villainy. Collectors have long needed to be wary of fake Bru dolls; and now there is apparently a growing industry in the much easier business of faking teddy bears. Collectors should also take warning that there are wellequipped burglars with specialist knowledge of fine

dolls.

Janet Marsh

NIGEL SHORT, 20, is contention for another major success this weekend at the category 12 Wijk aan Zee inter-national in Holland. Short, who a few months ago became Britain's first world title candidate, took a clear lead at Wijk with three opening round wins. including a 76-move endgame victory over Hubner of West Germany, world No 8.

At half-way Short went further ahead with 6/8, followed by Liubojevic (Yugoslavia) and van der Wiel (Holland) 5. Established grandmasters like Hubner, US No 1 Yasser Seirawan, and Chernin of the USSR were well behind. Another young British player Julian Hodeson, 22. beat Scirawan.

The traditional Wijk event has been sponsored by Hoogovens, the steelmakers, ever since 1938. A few years ago tournament's continuance was in danger due to the parent company's many lossmaking but Hoogovens was among the first European steel-makers to profit from the latest economic upturn, and its investment and rationalisation programme achieved a return to profit in 1984 and 1985.

Its chess congress has benefited with the introduction of a second grandmaster group enabling talented young Dutch experts to compete against established GMs.

In the latest world rankings Nigel Short, with 2,585 points, is joint No 3 in Britain (after Miles), joint No 6 in the West and joint No 16 in the world. his imminent advance to the level of super-grandmasters rated 2,600 and above looks assured, and beyond that his target is to become a credible

Victory at Wijk would be his first major international win and thus a significant step for-If you are curious whether Short makes it and you can cope with results in Dutch,

an experienced Dutch master Rank whose annual Reitich cole.

the oldest chess gambits. White: H. Ree (Netherlands).

1 P-K4, P-K4; 2 P-KB4, P-Q4; rounds. PxQP, P-QB3. Normal here is 3...P.K5

4 QPxP, NxP; 5 B-N5. If 5 PxP? Q-R5 ch or if 5 N-KB3, P-K5. Possibly 5 N-QB3

5...PxP; 6 N-KB3, B-Q3; 7 P-Q4, N-K2.

The subtlety of Short's plan lies in comparison with the established move sequence 1 P-K4, P-K4; 2 P-KB4, PxP; 3 N-KB3, P-Q4; 4 PxP, N-KB3; 5 B-N5 ch, P-B3; 6 PxP, NxP; 7 P-Q1, B-Q3 when 8 Q-K2 ch! is best for White.

By masking his decision whether to accept or decline the gambit and by delaying develop-ment of his KN, Short gains a flexible formation and avoids the awkward queen check.

8 0-0. 0-0; 9 N-R3. B-KN5! Black is more concerned to establish a solid centre than to accept the offer of BxN breaking up the Q-side pawns. 10 N-B4, B-B2; 11 P-B3, N-Q4;

10 N-84, B-BZ; 11 F-B3, N-QZ, 12 Q-Q3, P-B3; 13 BXN? This exchange only helps Black; better B-R4-B2. 13...PxB; 14 B-Q2, Q-Q2; 15 KR-K1, P-N4; 16 P-N4, QR-K1; 17 RXR, RXR; 18 R-K1, RXR ch; 19 NxR, K-N2; 20 N-R5. Trying for pressure against the QBP, White accentuates his own passive dark square centre

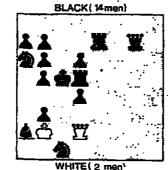
structure (Ps at QB3/Q4, B behind the pawn chain). 20...BxN; 21 PxB, N-B2; 22 P-B4, B-B4! Accurately timed, before White can get in B-B3, 23 Q-QB3, N-K3; 24 N-B3, B-K5! Suddenly, without doing anything obviously wrong, White is lost. With the fall of the QP the game is decided.

25 P-Q5, PxP, 26 N-Q4, PxP.

challenger to the Russians in 27 NxN ch. QxN; 28 Q-Q4, P-the next series of title QR3; 29 B-B3, K-N3; 30 P-KR3, eliminators. B-Q4; 31 K-R2, Q-K5! 32 Resigns. A final neat touch; if 32 QxP ch, K-R4 when White is out of checks and cannot stop mate; while 32 QxQ is a lost ending. PROBLEM No. 605

White to play; how can he studied the position for some try the tournament answering draw (by Sir Jeremy Morse, time, but inspiration was lack-ful timing, all made possible by machine tonight or tomorrow at End Game magazine 1984)? Sir ing. He cashed the trump Ace that early duck in clubs, which Jeremy, a noted problem com- on the table, returned the club Short's third round win over poser, is chairman of Lloyds six, on which East played the an experienced Dutch master Bank whose annual Reitish colors and an experienced Dutch master Bank whose annual Reitish colors and an experienced Dutch master Bank whose annual Reitish colors and an experienced Dutch master Bank whose annual Reitish colors are an experienced.

showed a novel twist in one of ing championship reaches its Black: N. D. Short (England). dozen competitors from an King's Gambit (Wijk aan Zee orginal entry of more than 3,000 two preliminary survived



Solution Page XIX Leonard Barden

IN MY first hand from rubber of pridge the declarer failed to make his contract. bridge the declarer failed to OK9653 make his contract, because he 4 103 did not explore every avenue. North dealt at a love score:

4 10 8 7 3 \$ 9 4 2 \$\times K \ 5 3 + K 9 5 4 3 2 + A 10 8 7 4 Q 7 Q J 10 9 8 6 4 2 6 10 6 5 2

North opened with one diamond, East overcalled with one spade, and South's four hearts silenced the oratory. West led the diamond four, an obvious singleton, the declarer won with dummy's Ace, and took stock. He had one loser in spades, one in diamonds, and he would probably have to concede a trick to the trump King. The problem facing him was:

how could West be prevented

from ruffing a diamond? He

The Queen of hearts was final this afternoon at the Gros- taken by the King, and West led venor Hotel, London. Only a a spade to his partner's King. East cashed his diamond King, and led his last diamond for West to ruff. One down. The declarer missed a great

chance linless East has both Ace and King of clubs, the con tract can he made by a deferred Scissors Coup. At trick two he should return dummy's club Queen. East covers with his Ace, and South ruffs. Now he crosses to the trump Ace, and returns the club Knave. When East plays low, success is at hand—the declarer discards his spade Queen. West makes the King, but he cannot get East in for the diamond ruff. South loses one heart, one diamond, and one club.

In the next hand the declarer played with great skill:

♥ 954 ♦ 1087 ♦ K 10 © 10 3 2 **♦ 5 4** ♥ A K Q J 8 6 ♦ Q ♣ A 7 5 4

With East-West vulnerable, South dealt and bid one heart, North replied with one spade and raised the opener's rebid of three hearts to four. West led the spade three, the Ace won, and South drew one round of trumps with the Ace. He then played the four of clubs, ducking in dummy, and the nine won. East cashed the spade King, followed by the diamond Ace, and another diamond was ruffed in hand. The declarer cashed the heart King, and West showed out. His first chance, an even break in trumps, was gone. He played a club to dummy's King, and returned a club, hoping for a 3-3 break, but that suit, too, proved unkind. However, as the opponent with the third trump had also the fourth club. South was able to ruff his last club on the table without any danger.

Notice the declarer's beauti-

was the key to the whole hand.

F. P. C. Cotter

last summer has to a large extent subsided. It had been caused by the devastating winter frosts. The full damage has yet to be determined, but at least 2,000 hectares of vines out of a total of 25.000 have been destroyed, and will not come into production again for another three or four years. More vines, weakened, but not prematurely.

the young buds. exceptionally hot, dry September and October. In the two months 400 hours of sunshine were recorded, compared with an average of 130 hours, and a pre-vintage crop estimate of 110m bottles turned into a total of 150m by the time the grapes were pressed at the end of

ales of champagne in the previous 12 months had totalled 198m bottles, there was still a deficit of 50m bottles. For-tunately, the record 1983 crop -well over double this year's -bad led to the equivalent of 75m bottles being set aside in the form of still wive without appellation for just such a shortage as this.

appellation. cent increase for the Not all growers did well out FFr 23.08 a kilo.

THE ALARM in Champagne

immediately killed, may die off The spring weather had been very poor, with frosts damaging The sudden change for the better was occasioned by the

However, since the ex-cellars

This surplus was now bottled and given the champagne

Unfortunately for the champagne drinker, the Champenois have a system of fixing the price for the grapes a week or two before the vintage. As the agreement was made on an estimated crop much smaller than turned out, the growers were able to establish a 27 per villages, from FFr 18,07 to

Bubble trouble

varied greatly. Some vinyards, particularly in the far-distant Aube, were almost wiped out, but others, particularly those which produced the white Chardonnay grapes on the Côtes des Blancs, south of Epernay, did very well indeed.

The result is, of course, that champagne prices must rise to 10 to 15 per cent higher than a year ago; and the pound is at least 10 per cent down too. Those with celebrations ahead or who afford themselves the occasional luxury of champagne as an aperitif, will be well advised to buy now.

The merchants in Champagne expect a drop in sales this year, with not even the predicted victory of the right in the March elections expected to boost the home market. And the last big price increases in 1982, had a marked depressing effect on sales.
Merchants will tend to limit

their sales, for while there is no overall shortage, the growers are keeping stock back primarily for tax reasons, but also hoping for higher prices. These they may not secure, for the quality of the grower-ma champagne may not attract the merchants. What is certain is that the period of cheap cham-pagnes created by the huge 1982 and 1983 vintages may be at an end. Buyers of supermarket own brand champagnes it is rather the consumers who might take note.

on, a hig vintage will be badly Saumur, which produces 13m

frisson on the Marne over the unexpected abolition by the EEC agricultural ministers of the right of sparkling wine pro-ducers to use the term "methode champenoise" for wines fermented in bottle, rather than by the cheaper processes of injecting the sparkle into vats of still wine, or pumping bottle-fermented wine into vats under pressure.

The decision was announced in November and will take effect just before the next vintage but with an eight-year changeover period. The French claim it was the result of ten years' study on the labelling of EEC sparkling wines, but the producers of Spanish sparkling wine, 91 per cent of which is "méthode champenoise," may be forgiven for suspecting that it is more than a co-incidence that this should have been done just a few weeks before Spain a few weeks before Spain entered the Common Market. The Spanish are also displeased with the British Government, which, in the interests of protecting "British sherry," treated them abysmally last year by not supporting their true sherry appellation. Now Britain has agreed to the Cham-Britain has agreed to the Champagne move, on the grounds, apparently that it will protect British-made sparkling wines made from concentrated grape in the standard that the standard that the standard that the standard transfer in the standard transfer to the standard transfer transfer transfer to the standard transfer

might take note.

Meanwhile, growers and merchants are thinking hard about the 1986 vintage. With no more reserve stocks to call made in France, notably

juice. It might be thought that



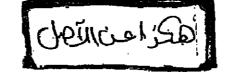
carry "methode champenoise places them above the flood of mousseus and justifies their higher price. To put instead "fermented in bottle" or "classical method" hardly carries the same weight. Yet, although some of the Saumuris are very upset about this, those Champagne houses with interests in the Loire, including Bollinger and Taittinger, support the change.

To some extent the move is defensive on Champagne's part

defensive on Champagne's part. While their output is limited by the regulated area, sparkling wine production throughout the world is soaring. That Australia. Canada and the US can still call their domestically-made, sparklers champagne (althours the better ones do not) is constant source of complaint. Anything that inpud mislead people into believing that a sparkling wine produced olsewhere is the real thing is a threat. by the regulated area, sparkling

threat There is no real fear of the Spanish "Cava" (methode champenoise) wines now attempting to compete with champagne in France and Britain where they have not been very successful. In the US they outsell champagne by 15m to 13m bottles a year, but of course the EEC regulations do not apply there.

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Cebruary I

might shrines in the state of the shrines we were short or the shrines we were short or the shrines were short or the shrines were shrines we shrines as and shrines we shrines as a shrine shrines as a shrine shrines we shrines as a shrine shrines as a shrine shrines as a shrine shrines as a shrine shrines as a shrines as a shrine shrines as a shrine shrines as a shrine shrines as a shrine shrines as a shrine shrines as a shrine shrines as a sh

of the year

to the best to

almost sacred. One or my colleagues clearly felt Simone de Beauvoir had got it about right when she described it as a ritual akin the adily eastration. Clearly all this goes very deep and you tamper with it at your peril.

Clearly all this goes very deep and you tamper with it at your peril.

This must all be very disperienced in the second peril.

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hardly bears thinking about.

shave to an electric one). It is, as Aramis puts it, a captive

in a save was necessary. At 15, a captive in audience by cultural necessity. No wonder it decided to take the whole matter very seriously.

products that would rid men of

all facial hair permanently facial shaving, its

more than the second to the se

day. Often it hurts. Aramis decided the path to go along was to develop something that would eliminate the pain.

complain of.

m community

 $W(x,t) = x \log \underline{F}_{V_{x,t}}$

for all.

tion of masculinity) and 97 per

not use a product designed to deal with the matter once and

he has to pull some of the sharpest instruments devised by man across his face every

morning and sometimes twice a

This meant the search for a

product that would glide (some men complained of razor drag),

that softened the beard and set

it up properly for the razor while cushioning the skin as much as possible. Finally, it wanted to devise something

that would eliminate the post-

shave tightness that many men

With Shave-plexx, Aramis

believes it has found the

answer. What, though, could Shave plexx (at £7.50 a tube)

really do for all those men out

there suffering from these dreadful daily traumas? I gave three "guineapigs" a tube to

The person currently looking

All ship shape and bristle fashion

Winners by a whisker



The Gary Cooper touch: sleek chic

Pick of the slicks comes back

This, I felt sure, needed investigating. After all, in the course of an average lifetime a man will spend 3,300 hours for I KNEW nostalgia was the Compton hitting sixes at Lords cult product of the under 30s, mood of the moment. I knew and bowling everybody over for whom it is a great new nearly 150 days out of his life) removing approximately 28 ft of whiskers from his face. It Research done in the US reveals that 95 per cent of men over the age of 16 shave every that there is a twice a day (seven-eighths of smelled of nothing fancier than died. That little white pot with matinee idol. tobacco and looked their best the red and white label and The original in uniform? Could it really be them, if you are interested and ham a Aramis certainly is, prefer a wet staging a come-back?

It could indeed. Way back at its peak, in the '50s and very early '60s, it was selling at the rate of 100 million pots a year. grooming aids for men.

the groomed and well-kept look with his slicked back hair, of wheeze. It goes with the fad work.

was in. But Brylcream? That cow-licks gleamingly held in for smarter, slicker clothes, for thick, white stuff beloved of place by that indispensable goo.

real men in the days when they had not even heard of quiche, when they wore tweeds and Brylcream in. It never quite of the potent charm of the grooming and advice centre in matine idea.

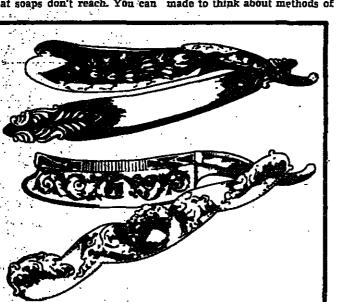
the red and white label and black top hung on in there, gathering dust on the back shelves of Boots. Today, though, it is restored to its rightful place—right in the centre of

Meantime, the smart money Not, of course, for many men is moving into dry-cleaning. No wonder it decided to take That was the age of the teen. Not, of course, for many men is moving into dry-cleaning, the whole matter very seriously, ager, of Bill Haley rocking who remember it first time washing-powders, sofa covers. It decided not to look at around the clock, of Denis round. It is mainly the new and anti-macassars.

people who waylay you when though Yardley's bowls are no you make a quick trip to longer wooden. Aramis gets the Harrods, and try to persuade psychology wrong, but they do you to buy things you don't try harder."
want. I tried the new shaving After tryit

After trying it for a bit longer,

None the less, most men, it cream reluctantly. It is very he came to the conclusion that appears, agree that shaving is a effective, and gets to the parts it is really rather good. Being traumatic experience. After all, that soaps don't reach. You can made to think about methods of he has to mult some of the



The cutting edge: 18th century cut-throat razors

quary ratial snaving, its researches revealed, is per after the Weekend FT was contell that from the fall-out. But shaving, he says, was an interceived as being reinforcing to scripted. "I have a built-in it is not made for the male contesting diversion from other the male ego, a daily affirmate prejudice against Aramis." he servative who has stuck to the subjects.

Anthony Curtis literary edi-

the slap and tickle effect. Hence a brushless cream like this is not for me. I need something that will not only help me shake off dull sloth in the morning but also soften up my excep-tionally tough beard. Lather creams like Palmolive or Ingrams do this perfectly well; the more expensive Old Spice is not noticeably better at the job though it has a pleasant scent. If I want to treat myself to a really posh cream, I splash out on a pot of the special preparation made by Geo. Trumper of Curzon Street, Mayfair. I use the one known as Ivory, men with medium or soft beards may prefer the Amber or Violet. All three yield a satisfyingly

rich lather without intermin His son, Charles, aged 22, gives a younger man's view-point. "As a man who normally shaves with a cheap foam I am perhaps not the best judge. Having used the cream twice. I must admit that I do not think that I experienced a revolution in wet shaving. Nevertheless, Aramis provides a refreshing and easy (in terms of 'razor-

Colin de la Rue, a solicitor



range includes aromatic shaving soaps made from a blend of essential oils, gels and masks, as well as the latest frankincense and myrrh. Its products, to be seen on some of the most discriminating bath-shelves are not cheap but they are distinguished. Buy from the shop at 39c Jermyn Street, London SW1 or through selected

up-market stores (the

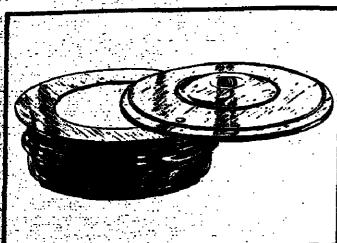
Conran shop in the

Fulham Road has a good selection) Sketched here is a finely wrought shaving brush with a black anodised handle and grey badger bristles. £29.50 (p+p £4).

A pale satinwood

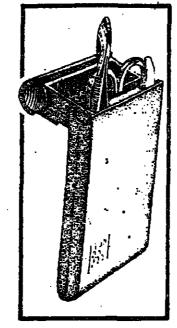
nailbrush with very firm natural bristles costs £27.50. It is 3in long, 14in wide, £27.50 (p+p £4). The reassuringly sturdy

Patum Peperium, holds some of Czech & Speake's aromatic shaving soap. It is made from a blend of essential oils, smelling of lavender, peppermint ceramic pot, rather like o⊤ violet and costs £19.50 the ones that contain (p+p £2).



A REAUTIFULLY carved mahogany shaving bowl with soap by "Royal Yacht," and a lid to keep it covered.





regard shaving in an overly mystical light. He sees it as more of a "functional task for which a relatively modest outlay will do." Normally he uses an aerosol can of Rapid Shave "I think it does give a

smoother and closer shave," he reports, " provided one is using a relatively sharp new razor. Its consistency is much firmer than foam (which rinses away with relative case) and I found that even with the lightest applica-tion, the cream still tended to clog up the works quite quickly. The process is then, of course, a fairly irritable scrape. In fairness, I was using a twinbladed razor which may have been more prone to this problem than other weapons, and I am experimenting with other types of razor, in the hope of overcoming this problem. Readers will judge from this that the quality of better shaves has at least moved me to persevere. I hope this will be rewarded, though I am not yet convinced that I should mend my existing ways."

So there you have it. Men seem on the whole to be a deeply conservative lot and getting them to change their time-honoured rituals is uphill

The original cream, made to the formulation first devised by Wilfred Hill in 1928, today sells at 89p a tub. A dab here, a rub there and you, too, can look like Denis Compton.

grooming and advice centre in Selfridge's Beauty Playground between Monday February 3 and Saturday February 15. When I say nearly free, it is hecause there is an appointment for the same of fee of £5 (ring Selfridge's on 01-629 1234 ext 3849 for a booking). For this you will get



do about the toughness of your lies, seemingly unchanged since its most famous after shave -Anthony Curtis, literary edi-tor, has this to say. "I am a lather and brush man. I enjoy wire of the same diameter?), found their way to its pinkness. It is the extract found their way to its you will be splashed with after wire of the same diameter?), found their way to its you will be spinshed with after about razor rash and general mahogany counters. Many of its the Trumper shave. But there signs of wear and tear. The £5 famous lotions and potions are are plenty of other beautifully is redeemable against any still made today to formulas packaged and reassuringly Aramis purchase, dating from Queen Victoria's untrendy looking lotions to During the same period readers out of London may go along to any store with an Aramis counter and out the same period region when Mr Trumper was meet almost every masculine grooming requirement.

its prices are nothing like so

Famous lotions and potions

a Shave-plexx shave, a limited "the shave" most men seem fitness assessment (this will be to find comfort and reassurance

Aramis counter and get the same grooming advice and free a little nervous about entering shave that not the fitness its portals. Worry not. Many of

Top right is the Curson aftershave, £8.75 for 4 oz, £15 for 8 oz (p+p £1.50 per bottle). Below it on the right is a pair pink ceramic pot of shaving cream. In almond, rose or violet a 7 oz pot is £13.50 (p+p £2). The brush and comb set are

in ebony (for the brush) and horn (the comh), £55.70 (p+p

Just below the wet-pack is one of the few modern designs to hold a candle to traditional Sketched here is a group of ones - a beautifully crafted Trumper's wares. The black polished chrome shaving set of wet pack is made from soft bowl, brush and razor. £53.10 black calf's leather, fully lined (P+p £2.50) from Oggetti, 100 and waterproofed, it has three Jermyn Street, London Wi.

Cookery -

SOME FOOD additives have bother to use colour additives nutritional or preservative pro-perties. Colourants are purely that smoke gives to a herring plummet if colourants were tart it up? omitted—or so the story has gone until recently.

some of the artificial colourants used in food processing have quite serious adverse effects on some people, in particular on some children,

The azo dye Brown FK (154), which is used to colour most of the kippers and smoked mackerel on sale in this country. falls into this group of "baddies." Given that these dyes are harmful to some people



and, being purely cosmetic, are unnecessary to all, the idea of etting rid of them seems very

Taking up cudgels on behalf of their readers, The Guild of Food Writers (which repre-sents some 50 of Britain's food and cookery writers) recently wrote to all major grocery stores in this country to express the concern, of consumers: specifically inquiring about the stores plans, if any, to offer kippers and smoked mackerel free of Brown FK.

stores seem to be in the pro-cess of removing—or planning to remove—Brown FK and other azo dyes from at least some if not all of their smoked fish products.

Amongst those apparently Brown FK entirely are Waitrose, Sainsbury, and Marks & products coloured with the Spencer. Waitrose and M & S fish products should be Brown FK-free already. Sainsbury says: "allowing for residual branch stocks, we should be chemical nor natural colour-clear of Brown FK by March." Smoked fish that is free of Brown FK is, of course, fish free of artificial colourant. This is a great step forward. But do limited number of stores. not be misled into thinking shall be rushing out to ask for that a product described as these products in my local "free of artificial colourant" is branches; if necessary, I shall free of colour additive. In most travel further afield to buy cases, fish products that were them. I hope that other shoppreviously coloured with artificial dyes will now be coloured with vegetable dye instead. Annatto, a brown vegetable dye (natural), is being used to replace the chemical dye (artificial) Brown FK. Annatto may be harmless compared to Brown FK, But the question remains: why

cosmetic. In other words, food in the kippering process may is dyed with the aim of making be a little variable, but it is not it look better, and sales would unattractive. Why the need to According to Safeway, fish

It has now become clear that "59 per cent of the population prefer the present colouring, this is, mahogany-coloured kip-pers. It is really true that average British shoppers recognise a kipper as a kipper only if it is dyed the colour of mahogany? Likewise, will they it is blazoned the colour of buttercups, orange drinks only if they are stained a shade of Dayelo orange, and tinned peas only if they are tinted bright green?

I find it hard to believe. But if it is true, then surely the reason is that shoppers have been treated like children. They have had little or no opportunity to see or to buy the

real thing.
Instead of being told the facts nd being offered a choice, instead of being encouraged to make up our own minds, we have been spoonfed the garish solution.

for shoppers to be shown things as they really are; to realise that foods painted in crude primary colours are fake; and to recognise that "real" foods are much more The good news is that all the subtlely-coloured, and more

Two of our most upmarket grocery stores. Waitrose and Sainsbury, are leading the way to enlightment. Not only are they abandoning the contentious chemical Brown FK, but to eliminating they will offer a choice of entirely are Wait- smoked mackerel and kipper vegetable dye annatto. Furthermore, they will offer smoked mackerel and kippers which contain no dyes at all—neither

> The undyed ranges will initially be quite small. They will be offered on a trial basis in a pers will do the same thing.

For it is only by showing our support for undyed products that their availability will become more widespread. Eventually, one hopes they will become the norm rather than the exception.

Philippa Davenport



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Naming the Bard

SHAKESPEARE'S LOST PLAY: EDMUND IRONSIDE by Eric Sams. Fourth Estate. £25.00, 383 pages

ERIC SAMS, the professional civil servant who became a musicologist to reckon with witness his study of Schumann's ciphers-now turns to literature. He wants to establish that Edmund Ironside, a chronicle play about the pre-Conquest English lighting the Vikings under Canute, is an early venture by Shakespeare. So naturally he compares the anonymous and undated Ironside with things that are known to be young Shakespeare's.

Some of this undertaking ust be pronounced valueless. .Mr Sams takes a clutch of six early efforts (Titus Andronicus, the Henry VI trilogy, the two Richard plays) and catalogues Fronside. In it and them, as he records, "blows are contrasted with words," "laughter is feigned," "tears are salt," "flatterers are evil and traitorous."

His citing of verbal parallels is often just as empty. "Madam, pleaseth if you to be a queen?" in Ironside is bracketed with "Speak, Queen of Goths, dost Isn't this a situation in which thou applaud my choice?" in one swallow does make a Titus Andronicus and with summer? If Shakespeare wrote "How say you madam? are ye Titus Andronicus—which he "Speak, Queen of Goths, dost thou applaud my choice?" in "How say you madam? are ye so content?" in the first part of Henry VI. And so on. Such

r weaknesses. At a more general and tech-

nical·level there are also grave faults. In the jungly world of had quartos, Sams speaks of the memorising and reporting of plays as a hypothesis. It is not a hypothesis, it is a fact. And he goes on to say that if the memorial reconstruction of the memorial reconstruction of plays were proved, the "main achievement" of this proof would be "to render the early quartos worthless." And that is not true either.

Firmly set against these shortcomings is the interest of the area which the book inhabits, and, more specifically, the big challenging question which Mr Sams asks us to consider. Building on E. B. Everitt's The Young Shake-speare of 1954, he presents one case where the relationship between Shakespeare's work and Ironside is by no means and ironside is by no means vague and unconvincing. That is Titus Andronicus. It is not so much the exact correspondences like "Hebuca of Troy ran mad for sorrow" and "never-heard-of torturing rain" s an accumulation of family likenesses, not merely verbal but evident in plot, image,

overall dramaturgy and tone. Then isn't the case proved? did-must he not also have

written Ironside?

the fruit of malicious searching of dates becomes important. Ma of Titus (around 1589), and an even earlier one (around 1588) of Ironside. He presents Titus, as a kind of re-run of Ironside, and marshalling the impressive array of similarities between the two plays, he concludes succinctly: "either side or he wrote it."

But suppose a later date for Ironside is right. This happens to be the orthodox view, but that doesn't prove it wrong any more than all professors must be stupid by virtue of being professors. And suppose Ironside was written in the early or mid 1500s by a decembed. or mid 1590s by a deservedly obscure playwright who knew Titus, who was indeed a bit of a plagiarist, who thought he had here a formula for box-

This, it might be argued, is to substitute a less likely for a more likely guess. Shakespeare's early career is very badly documented. There is an apprenticeship to account for in the years preceding Greene's "upstart crow" attack on him. If Shakespeare didn't Shakespeare didn't write Ironside, who did?

To reply that we simply do not know is less feeble than it sounds in an age of many lost and anonymous plays, and of playwrights who have disap-peared without or almost with-out trace. But it boils down finally to quality.

things pervade the book and Not necessarily. And in While the man who wrote scepticism over the wretched are not, I ask you to believe, suggesting why not the matter Ironside must, I am persuaded, poem recently sponsored by



Panoramic view of Elizabethan London showing the Globe Theatre and the Bear Pit by Hollar. It is reproduced in R. A. Foakes's "Illustrations of the English Stage 1580-1642 " (Scolar Press £35.00)

inteachable, dramatic power of moments like old Andronicus's "When will this fearful slumber have an end?" All Shakespeare's early plays—what Keats called his first blights — have such moments. (His non-dramatic work is a different matter, which is partly why I regard

have known Titus, he couldn't Gary Taylor to be ill-founded.) catch the uncatchable, because These Shakespearean moments need not be tragic or solemn. The Two Gentlemen of Verona is well stocked with rubbish, but it also has the servant bending over his dog and admonishing

> Nay, I remember the trick you served me when I took my leave of Madam Sylvia. Did not I bid thee still mark me and do as I do? When

John Jones

didst thou see me heave up my leg and make water against a gentlewoman's farthingale?

Dostoevsky (OUP).

And the man who wrote Iron-side could not write that either.

Fiction

Shape of things soon to come

The Nudists by Guy Bellamy. Secker and Warburg, £9.50. 294 pages The Last Election by Pete Davies. André Deutsch, £8.95. 234 pages

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Small-scale processing

Streaker, say, or Corpses Don't comedies of modern manners, Cough. Perhaps Guy Bellamy funny in an engagingly unpredid the same thing before he tentious way rather than witty sat down to write this, his fourth or alarmingly clever; his novel, which might offend the people nicely observed and, in Trades Description Act, since the other sense, nice enough for 280 of its 294 pages every-one is dressed. Besides, nudists them. The Nudists is about the are surely persistent and con- ups and downs of fortune. vinced practitioners, not mere When we first meet them holidaymakers who take off three of the characters are their clothes to swim in a pri- rich and three poor. By the vate pool, tipsy and a bit end (a few months later) embarrassed. Once back in things have been credibly England, everyone is dressed reversed; once-almost-destitute millionaire friend Ben, and Simon, who once felt drably inferior, can buy a Mercedes

Quiet pride in his bank balance overcomes shame at tagging cheerfully along — is daughter

persuasive enough.

The Last Election is a highly talented first novel by 25-year. Harry" there is a psychological old Pete Davies that gives a uproar over adoption. terrifying picture of our future selves. Comparisons come to tunate Napiers have been con-mind—1984. A Clockwork strained to change their name Orange. (More Burgess than Orwell, I think.) The author made a condition of their has worked in a nightclub and in advertising, and uses both in a supposedly realistic story experiences to nightmare effect. asks her husband. Or, in a foray seen through a drug-induced haze but topographically exact,

everything has broken down his Luftwaffy," says Mrs Advertisers and entertainers Thimble Plumstead plumber's rule. The old-known as wife, after a gas explosion.
"gerries" or "oldies"—are Psychologically and ev increasingly burdening the rest, therefore increasingly expendable. The young-all, except for advertisers and media people, unemployed— must be kept in check by fun as well as drugs, so Dance Barns are set up to supply both. blindness, then as suddenly Ear-splitting palaces of electronic gadgetry and mind-dazzling lights, they provide centres for the footloose, swapstop frenzies of movement and

Snake-charmers, fire eaters, jugglers, clowns and acrobats fight for attention in side shows, and on dozens of channels tele-vision presenters play with lives, politics and public opinion. The Money Party is in power; the Prime Minister s called Nanny; the police are all-powerful; hospitals are plague-pits; technology can work wonders but cannot halt decay. Above all there are drugs-painkillers and consciousness-raisers, pills to put with the cause but cannot praidown the gerries, others to hype the novel that embodies it. dancers, others to get people through the day (or

night), drugs with or without drink, in veins or stomachs, in hospitals or high-rises.

The close-knit writing, the spare though exuberant style, the exhausting action, the Jacobean horrors in most modern of disguises, all combine to great ghoulish effect. Are we (one almost thinks) heading this way? Certainly Pete Davies is heading somewhere. After cramming so much into the first novel, one wonders where.
Parlour 4 contains 9 short

stories by J. I. M. Stewart. Some are set in a remembered childhood — a boy misjudges parents, a situation, the value of a jewel; others in donnish or near-donnish country. In "The Dyslexia Factor" Oxford his other deficiencies, and an is struck by a plague which all-round happy ending—Nick makes people "word-blind," to best-sellerdom, Ben to a new unable to read. In "Napier into business venture, Simon to ffinch" a family changes its business venture. Simon to minch a ranning comming and running a family name for, it is presumed, special reasons, and its suddenly eligible to neighbouring parents. In "Tom, Dick and

You mean that the unforcoming into property?" a wife In a future London, lutidly among the lower orders, there is the comico-patronising patois: "As bad as that Goering and

Psychologically and even technically the stories do not always ring true. Would loving and not idiot parents today hide from a child the knowledge that he was adopted, knowing he must be told at 18? And why Oxford struck by wordcured (the realism of this fantasy fails to work)? And so on, disappointingly.

Kara Kush is a first novel by shops for drug-dealers, non- Idries Shah, long and alas blockbusting. I say alas because the subject is important and passionately believed in-the occupation of Afghanistan by Soviet troops, the Afghan fight to defeat them. The author is totally committed to his theme. and country. But as a novel it is nothing; its characters wooden, its propaganda ineptly handled, even events and dates confusing. Kara Kush, meaning Eagle, is the name given to the partisan leader. A large cast supports him, Russian atrocities are revealed, one sympathises with the cause but cannot praise Isabel Quigly

Guy Bellamy: comedy of manners



Sir Ernst Chain: the controversial research scientist whose life is told in the book reviewed below

Scientist finds wonder drug

glass rod."

seems by Ronald W. Clark Weidenfeld and Nicolson, £14.95, 217 pages

> SO CLOSELY is the discovery of penicillin identified in the public mind with Alexander Fleming—who even has a pub in Paddington named after him —that we are apt to forget that two other men shared the 1945 Nobel Prize for medicine with him for the discovery. Fleming found the microbe itself, in 1929. Howard Florey, an Oxford professor, demonstrated its wondrous therapeutic powers a decade later.

> Ernst Chain, a flamboyant German-born Jew who joined Florey in Oxford in 1934, was the one who worked out how penicillin could be made and purified, and so made available to medicine a truly miraculous drug.

> Later this "temperamental Continental," as he called himself, went on to develop the family of semi-synthetic penicillins on which Beecham built its ethical drug business and has sustained it to this day.

> "Chain was not what Dr Johnson would have called a clubbable man," writes Ronald Clark in his latest biography of the greats of British science. Chemistry was his abiding passion—although music ran second—and in Oxford Chain music continued to study the way snake-venom worked. It was his belief that such a dramatic effect must be explicable as a chemical or biochemical reaction; and so it proved to be. This stimulated his interest in

enzymes—natural catalysts—some of which could also produce dramatic biological effects. One was lysozyme, also a discovery of Fleming, but which had failed to sustain the remarkable promise of his initial observations. Lysozyme led Chain to penicillin, the mould which a few years before had "almost certainly floated up from the room of a colleague on a lower floor," to kill off a But penicillin had been dis-covered in a laboratory at St Lucozade. Mary's Hospital, Paddington, where the climate of scientific

THE LIFE OF ERNST CHAIN: opinion was not propitious to further development. What drew the Uxford researchers t the discovery was not the lure of a "miracle drug" but simply curiosity about a fascinating, unexplained phenomenon What finally focused those efforts was something as mundane as a cash crisis in Oxford when Chain was told to spend nothing more, not even on "a piece of

> The Americans came to the rescue with funds "on a scale they had never known before," which enabled Chain first to demonstrate what a potent anubiotic they were studying, then ways of harvesting it in useful amounts. Sadly, the period was marred by Chain's feelings that the problem of the colling of the colling of the colling of the colling of the colling was treating the mellon. Florey was treating the unclubbable emigré badly. In 1948 he left Oxford for

Rome, but first buried the hatchet with Florey in a letter which talked of ending an to arrive at an understanding episode "which has been rich of Christian belief not merely in elating emotions such as very few people are privileged to but as "public doctrine," experience." He was off to the From now on Cowin Instituto Superiore di Sanita, a lavish new laboratory of the Italian Government. Over the next six years he built an international reputation in what nowadays is known as biotechnology. It led to a meeting in London with H. G. Lazell, Beecham's chairman, who found in Chain "that spirit of enterprise and initiative which gave British industry its leading position in the world but which unfortunately, rarely encounters here."

Lazell wished to diversify beyond over-the-counter medicines. During the war he had penicillin-impregnated pastilles for RAF doctors. Beecham seconded scientists to work in Rome with Chain, to begin the pursuit of the novel penicillins of more specific potency and, later, with the ability to sidestep the problems when microbes develop resist-ance to an antibiotic. Beecham legend - but not

Clark's kindly biography - has it that this effervescent period financed from the profits of

David Fishlock

Many loud Halleluiahs

AND THE GLORY y R. A. Edwards, W. S. Maney (Leeds), £11, 180 pages

OLDER THAN any surviving professional orchestra, older than any of its London choral counterparts, the Huddersfield Choral Society well deserves a commemorative volume on reaching the age of 150. Handel's Messiah (from which

the book rather lamely takes its title) has been a feature of the choir's work for many decades

-but a tradition that such performances have been annual since the foundation is punctured by the author. Mr Edwards has a true historian's unwillingness to take his predecessors' statements on trust. It is this attitude, along with his interest in social and financial as well as musical matters, that makes the present volume recommendable beyond the choir's circle of local admirers.

Arthur Jacobs

Fresh light on the air war

VICTORY DENIED: THE RISE OF AIR POWER AND THE DEFEAT OF GERMANY:

by Dudley Saward, Buchan and Enright, £14.95. 376 pages

THE "VICTORY DENIED" of this title is Hitler's — wrested from him, in the author's view, largely by Allied air power. In Europe "war had taken to the air, and that war had been won in the air, denying the Nazis. their victory." The Pacific and Japan? "In this theatre too, the war had also been won in the

The Allied victory was of course the product of scores of factors, of which at least four were primary and obvious. These were the sustained resistance of the Soviet armies, the vast economic resources of the US and the British Commonwealth and Empire, the maintenance of Allied sea communications with the consequent ability to build up forces where required, and the development of over-whelming Anglo-American air power. These things were interdependent. To proclaim the paramount importance of any one of them while virtually ignoring the rest is to over-

simplify history.

Dudley Saward does not, however, labour his contention. He states it specifically only at the Mr Jones is a Fellow of end of his book. What occupies the bulk of his pages is a most recent book is solidly factual account of the rise of German air power under Hitler and the steps taken by Britain, at first slowly but soon with skill and vigour, to counter this and to forge and employ, with triumphant success, an air weapon of her

In tracing this story the author's writing is never less than neat and he is well able to present complex issues and large amounts of detail in a readable way. But he seems uncertain about the kind of audience he is addressing. For the most part, his book is a succinct narrative dealing with air matters, but for the prewar period he has also felt it necessary to include extensive accounts of well-known political events. For the kind of people likely to read this book, one would have thought that a bare reference to Chamberlain's broadcast on the outbreak of war would suffice, and that there would be no need to quote the entire speech.

And what readers has the author in mind when he describes at some length the Italian defeat in Abyssinia in

1896, Hitler's early days, the suppression of Rochm, the toings and fro-ings during the Czecheslovalda crisis, the funeral procession of George V. and the abdication of Edward VIII? "Sadly," he writes, "the reign of Edward VIII was to be short-lived, due to his determination to marry an American nation to marry an American divorcee, Mrs Wallis Simpson." Such rehearsals of the all-too-familiar can only dull the im-pact of the less familiar, with which Dudley Saward's book also fortunately abounds.

The main merit of Victory Denied is the reminder it gives us of facts which for the past 20 years have been largely obscured or even rejected outright. As may be expected from the authorised biographer of Sir Arthur Harris, these relate par-Arithm farms, the achievements from 1942 to 1945 of RAF Bomber Command. Dudley Saward deals faithfully with these, explaining clearly the technical advances which made increasing success possible, and emphasising the Command's wide range of activity. The wide range of activity. The assault on oil, the preliminary

and immediate help to Overlord including the Pas de Calais deception plan, the minelaying, the attacks on warships and submarine yards—the reader will find them all here, as well as the area bombing of German industrial towns which it has become so orthodox to denigrate in general and to fail to assess accurately from the purely military point of view.

Above all, Dudley Saward brings out, by statistics and by reference to the views of German leaders, the vital part which the Anglo-American strategic bomb-

ing offensive played in the downfall of Hitler's Reich. Among the statistics, two of the most telling are that by 1944 some 900,000 Germans were tied down to the air defence of their homeland, and that 75 per cent of the production of the versatile 55mm gun had to be devoted to the same purpose leaving only 25 per cent for the anti-tank and anti-aircraft needs of the German armies in Russia and France.

As for the views, the most striking are probably the con-sidered final opinions of Albert Speer, with whom Dudley Saward had extensive conversations. The assault on Germany from the air, Speer maintained, was the Allies true Second Front, opened long before the invasion of Normandy, and the failure to defeat it was Germany's greatest lost battle.

Denis Richards

Ideas in play

RELIGION AND PUBLIC **DOCTRINE IN MODERN** ENGLAND VOLUME II: Assaults

by Maurice Cowling. Cambridge U.P. £30.00 (or with volume I, £40.00) 371 pages

whom, as he put it, he was related intellectually. Salisbury. Through his summaries of the thought of these people and a great many more, some not widely known outside Cambridge, Mr Cowling aimed as a matter of personal faith

From now on Cowling the author will "evaporate," he says. This new book will chart the assaults on Christianity from those with whom he feels no blood-ties in the development of his own outlook; assaults from Mill and George Eliot, from Frazer and Havelock Ellis, from Winwood Reade and Bertrand Russell. It will then trace the counter-assaults from an equally diverse range of sources, Chesterton, Belloc, Christopher Dawson and Father Coplestone among them, the main study of the Christian counter-attack we shall have. though, to wait until the appearance of volume three scheduled "for publication c. .In this second volume we

bave a substantial section on the

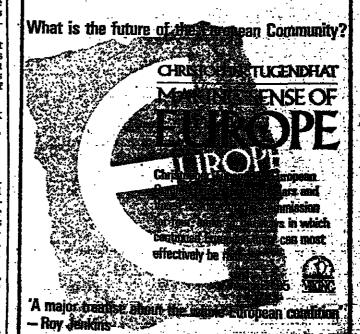
Tractarian Movement and one on Newman around the time of his conversion, after which Mr Cowling is mainly concerned with what he calls "types of ethical earnestness " in people who tried to liberate themselves from the Christian indoctrination they had undergone in IN VOLUME one Mr Cowling their youth and to work out discussed those thinkers to some alternative.

Whether or not the author has indeed evaporated (as he claims) his method remains the same as in volume one, an admirable succinciness, most p refreshing in these days of overlong biographies. Mr Cowling puts each of his thinkers through the hoops in, at most. a couple of dozen pages, and cracks his whip pretty smartly as they are made to leap around the ring. Imagine this method applied to writers as voluminous as T. H. Huxley, Herbert Spencer, Moriey, Ruskin or Bernard Shaw, Nonetheless it works wonders in concentrating the mind on the salient points. Gilbert Murray on whom Mr Cowling puts a spotlight in the course of his perfomance wrote enough books to sink a punt on the Cherwell. Mr Cowling boils them all down to the concept of "Hellenism" and what pre-

cisely Murray meant by it.

The book is exhibitating reading even if finally it does not seem to be getting any-where If it has a centre it lies in the notion of Positivism things) introduced into England by Frederic Harrison after his encounter in Paris with Auguste Comte and the complicated routes by which it polli-nated other minds.

Anthony Curtis



air eynetteneat Witten Streethe Rubb thunde sudder water and the same streeth and the same st dejilce jeg هكذا من النصل

Speculations on time and space

BUSONI THE COMPOSER By Antony Beaumont, Faber and Faber, £35.00. 408 pages.

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OLIVIER MESSIAEN AND By Paul Griffiths Faber and Faber, £17.50. 274 pages

OF ALL the significant comto the principle of the state o posers who straddled the closing years of the last century and the opening years of the present one, it is Busoni who remains most shrouded in mystery. In almost every detail of his biography and comparitional characters. positional character, he exposes an extraordinarily fascinating double aspect, an ambiguity that was partly inherited and partly developed - perhaps even cul-

> - Son of an Italian musician father and a German mother, he was born in Tuscany; spent his earliest years in Italy (including a spell in that most nationally ambiguous of Italian cities, Trieste), and never lost what he insisted was a second control of the con what he insisted was an essentially Latin temperament and outlook. Yet most of his nomad existence was there-after spent in German-speaking lands; and certainly his development as a composer was revery phase a product of German cultural experience.

He was a piano prodigy who instrument; but although piano music accounts for a sizeable quantity of his compositions— Respect the Pianoforte!" is a famous exhortation in his New Aesthetic of Music—it is as infinitely more than a "planistcomposer" that Busoni deserves has expressly admitted his achieved works, one often comes

the realms of atomality (and admirer, with reservations, of he never lost touch with the inspiration provided by a child-like, and authentically Mediterranean, pleasure in bell sounds, feast-day parades, and folk melodies.

One might fairly claim that it is in a single, crucial paradox—the incomplete state of the opera, Doktor Foust, laboured over for so many years and quite clearly intended to serve as a vast, final, all-inclusive Busoni compendium—that the mystery becomes most fascinat-ingly adumbrated. (Its composer once declared that operas ought to be written but perhaps never performed; and, as Robert

Antony Beaumont, whose Busoni the Composer proves to be one of the most passionately committed and most valuable musical studies of recent years, is an English author-conductor. resident in Germany, who first came to notice in these columns as architect of a Doktor Foust score newly completed from sketches and other previously unexamined material (this was became one of the most influential and important showing by William Weaver). wirtuosos in the history of the Now the English National Opera is very shortly to perform the work in Mr Beaumont's edition; altogether, the publication of this book, a labour of love in been better timed.

Lean Broadway's

poor pickings

WITH DICKENS, Coward and Off, turns his apprenticeship to

Frayn propping up yet another good effect as the director of a lacklustre Broadway season, revival of Hay Fever at the

Colin Welland's Oscar Awards Music Box. With the hilarious ceremony cry of "The British Deborah Rush as the ingenue are coming" remains as pertiment as ever—if applied to the elements, sacrilege to some but

transatlantic traffic of our an effective weapon in the

stages. Even the wretched accumulating sarcasm directed

Corpsel, a thriller in imitation at the bickering Bliss family, of Sleath seen in London two The perfectly poised Judith

years ago, is welcomed on Bliss of Rosemary Harris is to Broadway's undernourished well matched to Roy Dotrice as

because of their quality but director of Noises Off, has less because they lend themselves to material to work with himself cheap repackaging and attractive casting.

Highael Riagmore, the michael stage of the length of the le

ing look of purchases made not Michael. Blakemore.

stages. But there is a disapoint- her husband.

There are exceptions. The Mystery of Eduin Drood, which originated in Central Park last

summer, has moved indoors to

the imperial resulting in a tightened and more vibrant

portrayal of the unfinished Dickens novel. Cleo Laine. Patti Cohenour and Jerome

Demosey defer to the bright

face and playful asides of

George Rose, around whom writer Rupert Holmes and

director Wilford Leach have

fashioned what is so far the

the author sets out with admirable lucidity the ideas, the inspirations (literary, philosophical, and so on), the theoretical treatises that fuel theoretical treatises that fuel simultaneously from the same theoretical treatises the same the same the same theoretical treatises the same the same the same the same the same the same the sa

Beaumont is then in a position to concentrate, in chronological order, on 58 of the 314 pieces Busoni and Messiaen are, in in the immaculate catalogue very different fashion and to that completes the book. Clarity, very different end, two of Henderson suggested when percipience, and enthusiasm are music's great explorers:

bercipience, and enthusiasm are music's great exp the same time, it supplies need for an exhaustive one. insights that make one impatient to hear again the Busoni one knows, and anxious to discover the Busoni one

doesn't. One small point, a comparison offered between élégioque—perhaps Busoni's perfect compositionand the world of Faure's late, and the world of Faure's late, and will no doubt go on until spare song cycles, was for me all the main figures of 20thto fresh thought. There are off. All his books have been plenty of others like it: not marked by cool detachment surprisingly, the whole matter of Doktor Faust is handled with an insider's understanding.

If, indeed, the book has a fault, it is one easily forgiven. tive 20th century masters in every sense, could not have For all the individual atmosphere that memorably clings to In his foreword Beaumout certain of Busoni's most surely-

attention. An early explorer in original intention of supplying to feel elsewhere a discrepancy a companion and complement to between the lofty ambitions, Dent's famous 1933 Busoni bio- the quirkly crowded and com-Schoenberg, who returned the graphy, which purposely set plex imaginative schemes and compliment in similar fashion), aside examination of the music. intentions, and the slight sense Here, biographical detail is not of let-down caused by the actual avoided, but it is compressed product. Of such over-long, over-in order to fill in the necessary wrought works as the Piano background to the discussion of Concerto, Beaumont is a gentle. the music that is the book's forgiving advocate. But because main business. First, however, he is a uniquely knowledgeable

each phrase of his musical stable, provides revealing progression. Having laid this groundwork, parisons—though unfortunately the proximity works entirely to Paul Griffiths's disadvantage.

there was at least a comparable

But while the Busoni book simply had to be written-every page declares the necessity—no such commitment can be detected in the Messiaen. Its author has already dealt with Boulez, Cage, Maxwell Davies, Ligeti, Stravinsky, and Bartok a particularly happy stimulant century music have been ticked from their subject as a basic authorial stance. In the case of Messiaen—a Catholic composer unique among the most innova-

inspiring immoderate fervours

even in his non-Catholic listeners—the mode of approach

becomes positively bizarre, and,

Roy Dotrice and Rosemary Harris in "Hay Fever

Sam Waterston who confuses with the story of inherent con-

that for white.

Olivier Messiaen, one of music's great explorers

in the end, simply uninteresting. interest and value are defeated. There is no lack of scientific by the extraordinary flatness of examination here (the passages of close musical analysis, being of quite ludicrous, directionless aridity for the uninitiated reader, will no doubt simply be skipped, which can hardly have been the author's wish).

A connecting theme-the tracing of "the presence of the eternal within the temporal" in the Messiaen oeutre, of the new ways of experiencing time proposed therein—seems to be indicated, yet its potential

the book in the face of the music itself.

There are some characteristically glib Griffiths sentences along the way (along with uncharacteristic moments of clumsy expression, and once or twice of bad grammar, suggesting hasty, unrevised production). But what he feels about Messiaen's music I have not the

Max Loppert

Saleroom

Hatcher's hoard of Chinese junk

AUSTRALIAN millionaire Captain Hatcher, who made his fortune salvaging tin from wrecks in Far Eastern seas, caused a stir in the auction houses in 1983 when he dis-South China Sea. The vessel was communities in the Indies, but of gracious living is available, also, in part, for Europe. again at affordable prices.

de Chine.

Now Hatcher has found annean merchaniman which was also lost near the Chinese coast around 1750 with a cargo of 18th century Chinese export porcelain for the European market. Hatcher's team has brought to the surface almost 150,000 items. mostly porcelain but including

126 bars of Chinese gold. Christie's is organising a sale of the find in Amsterdam from April 28 to May 2. It will be the most extensive auction of Chinese works of art ever held, with Chinese export porcelain available on a scale not known since the 18th century when European seaports witnessed the unloading of porcelain from the east which went in the form of vast armorial services into the households of the aristocracy and, in the shape of everyday utensils, into the homes of the

With such a vast hoard, prices will be extraordinarily low. Indeed Christie's, doubtful whether the dealers can absorb such quantities, is pitching the

3,000 lots. Some will consist of seized complete sets of plates, bowls, acquiri tureens, cups and so on in quantities to service 144 guests at a sitting-collections which it is hoped that embassies and inches diameter that were resmall lots of a dozen or so plates, with estimates of around

lots of varying quantities, some for the trade in the long term.

consisting of 1.000 items but for an individual set. Among the other eminently collectible items are drinking mugs. in three different sizes; soup covered the remnants of a mid-tureens; butter dishes; and 17th century Chinese trading chamber pots, many of which ship which had sunk in the are of a small size and were presumably for children. The laden with a cargo of blue and Chinese porcelain which gave white late Ming porcelain so many 18th century European destined mainly for the Chinese families their first experience

Along with the blue and white The cargo was packed in was some blanc de Chine por- cheap tea for protection and celain of a type which had has survived its two centuries previously been dated to a on the sea bed surprisingly well. generation or so later. When The glaze is good, although the he contents of the wreck were enamelling of crests on certain sold at Christie's in Amsterdam items has been lost. Obviously in four sales, stretching from there is a risk in offering such 1983-85, the market was forced vast quantities at one mammoth to absorb the most extensive sale, especially in a market ever flood of new blue and white where the keenest collectors (which it did with aplomb) and are Americans and where the wrestle with academic contro- strength of the dollar against versy over the items of blanc European currencies is the main factor in determining demands. Christie's hopes that other wreck, this time a Euro- its big marketing exercise, which includes a video of the marine excavation, will make not only existing collectors of Chinese export porcelain but also a new public anxious to

> Christie's faces difficulties in forecasting prices of the por celain at auction—it is dispos-ing of, in one sale, more Chinese artifacts than normally it auctions off in a year. But if the experience of the earlier Hatcher sale is a precedent prices will be above estimate, and demand will be keen.

lay hands on some "Hatcher

Christie's made some mistakes with the earlier find which it is anxious to avoid this time. Initially it was given only a few pieces of Ming blue and white to sell and did not disclose the source. As a result, there was some suspicion as to Its origins. Then it came clean, with two large auctions, and dealers wondered if there was any more lurking in the vaults In the event, a few dealers notably Axel Vervoord of Ant auction at the general public. werp, Elizabeth Gertz of Dallas.

The sale is being divided into and David Howard of London. seized the opportunity of acquiring vast quantities of blue and white cheaply. For the first time collectors could decorate rooms with serried ranks of blue and white in the large corporations will compete style of the Dutch palaces, and for. The 2,000 plates of nine indeed Hampton Court, in the late 17th century. The comcovered will be split into quite petition between the far-sighted dealers kept prices high.

This time Christie's has £25 a plate. In all there are 50 brought everything into the complete dinner services for open. It hopes that Americans will flock to Amsterdam and The cargo included 50.000 that dealers will appreciate that sets of tea bowls and saucers a broader market, even if at which will be divided up into slightly lower prices, is best

Bernini busts the V & A

The Victoria & Albert Museum tage Memorial Fund, short of has failed in its efforts to buy cash the V & A was unable to "Castle Howard" bust by put together a package to ensure 17th - century sculptor that the bust stays in the UK. Bernini. It was a portrait of Archbishop dal Pozzo of Pisa National Gallery of Scotland, and has been at Castle Howard

may now mount a campaign to since 1715. acquire the Bernini, approach-The family was forced to sell ing those generous patrons who to meet estate duties following supported his unsuccessful the death of George Howard efforts to retain Mantegna's the death of George Howard 'Adoration of the Magi" offered the bust to the V & A at a net price of around the UK.

Antony Thorncroft

in

Timothy Clifford, of the

Reeling to the songs of Burns

given you no reminder of it. I've only once been to a Burns Night party. I got drunk, and I couldn't do the dances, and perhaps this is the way that Radio 2, 3 and 4 imagine the festival.

But Radio Scotland celebrated most designiful programmes for weeks, The Miller's Recl, put together by Donald Campbell from his letters. The progress of a love story between a young man and a young woman is told by the songs, most of them new to me, pleasantly sung by Jean Redpath and Rod Paterson. Though they were charmingly accompanied by small instru-mental ensembles, the feeling was more of the living-room than the concert-hall, and the short connecting readings from the letters were tender and humorous, David Hyman and Phyllis Logan were the readers. Serge Hovey arranged the music, and the producer was Dave Batchelor. Quite a revelation, this was.

It took away my appetite for the Saturday Night thriller. Teresa Collard's Campari for the Fishes. This gave the impression, with its fast, mobile and improbable action, of hav-ing been hastily adapted from a novel. Clare (Elizabeth Bell) was searching, like a lay detec-tive, for her ex-boyfriend, missing for two years and then found to be involved (I say no more than that) in drug-smugthan it deserved, and in stereo, are certianly underpaid; but was by Christopher Venning.

Jude the Obscure is the new Sunday classic serial, and it began very well. A great amount was condensed in the first of six parts, from 11-year-old Jude's conversation with his schoolmaster Phillotson. just off to Christminster, as far as his own impending departure as its own impending department was properly neutral; no could not be deep, but he was crisp nopes to be full of "excellent people." During this period he has taught himself, unaided, about Bishops as we do about with prices ranging down to £5 from old textbooks, to read Latin and Greek-even to scan Latin verses, unless that was sheer luck. He has also been seduced by Arabella and married her when she pretended pregnancy. Michael Pennington manages to make very unconversational

SATURDAY night was Burns that it is an ideal subject for a Night, but if you lived in serial of this kind. Brian Miller England the radio would have directs, and this too is in stereo.

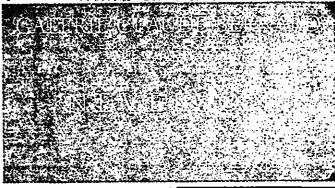
Most pantomimes will be over by now-phenomena like the Palladium pantomimes that went on until the spring have died out—and this is a good time for Radio 4 to have launched its series explaining why pantomime is as it is, and the occasion with one of the how it became so. The "tradimost delightful programmes for weeks, The Miller's Reel, put together by Donald Campbell from Burns's songs and extracts from his letters. The progress language, and while we may suill have the pattern in our minds from Christmas time, ils eccentricities are ripe for investigation. Gerald Frow's seven-part Oh Yes, li Is! began on Monday with John Rich at Covent Garden and Lincoln's Inn Fields, and very interesting it was, with a narrative read by Richard Briers. It did little to explain why Robinson Crusoe should be a woman, or the Dame a man; but there are six more programmes to come, and I hope they'll be as interesting as this one, which dealt with Harlequin, not commonly seen in pantomime these days, more in the ballet.

> I don't mean to write about all of Radio 4's Pillars of Society, but I was anxious to hear Thursday's programme by Robert Carvel about the Bishops. With plenty of interventions from the Bishops and others, he aroused many points that I found unexpectedly interesting. The Bishops all felt a duty to be "involved" which leads them into heavy The production, better overwork, and for which they how often do we feel concerned with them?

Many questions were raised that one felt needed longer discussion — the manner of appointment, the function of the Synod, involvement with politics, and much more. Robert Carvel, a Presbyterian, was properly neutral; he could about Bishops as we do about

B. A. Young

Solution to Chess No. 605 1 Q-B3 ch, PxQ ch; 2 K-R3. P-N5 ch; 3 K-R4, P-N5 ch; English convincing. So much 4 K-R5, P-N3 ch; 5 KxN, any; happens in Hardy's book 6 stalemate.



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A MEMORIAL SERVICE will be held for Mr Brian Lawrence Deputy Managing Director of Times Newspapers at St Bride's Fieer Street on Wedereday 26 February at 12 noon.
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Financial Times

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musical of the season. well-meaning architect while dramatic conscience of South play of moods. Brian Murray, who played the leaving the big blow-ups and Africa. With the original cast of director last season in Noises conflicts to verbose second-hand the author and Zakes Mokae.

Atkinson. The admirably high-

minded theme has little

relevance to American social

public housing reveals a con-

American property developers.

Richter's scales of flawed perfection

Records

lost long ago working for middle-class values.

The

Had the south London setting Americans will be aroused by

SCHUBERT: WINTERREISE. Peter Sehreier, Sviatoslav Richter (two-disc album)

DVORAK: PLANO QUINTETS IN A. Op 5 and op 81. Borodin disc album) Philips 412 429-1.

GLENN GOULD hated playing

in front of an audience, and regarded the whole business of public concert-giving as unacceptably hazardous and im-"take-twoless" as he perfect, "take-twoless" as he called it, and fraught with danger; the recording studio was the only concert environment in which he could come near to achieving his aims, unthreatened, uninterrupted. Sviatoslav Richter, by contrast, grew to mistrust the recording studio, finding it a cold and unsympathetic place in which to practise an essentially intimate.

communicative art, its products artificially frozen in time uncreative, unchanging, unspontoneous. Both of these extreme views

found characteristically deci-sive solutions. Gould abandoned the public stage entirely, and devoted the rest of his career exclusively to making records, each one as it emerged further testimony to his phosessive search for perfection. Richter, on the quier mand, has solo Schubert adagios—and so returned to enter a recording solo Schubert adagios—and so perhaps it might, if Schreier studio since the mid-1970s, and issues records only of his live performances, audience and background hoise, fluffs, wrong notes and all

-Peter Schreier's fascinating TOWN TO WAR. The Semper-Oper in Dresden in for example, pressed so hard by same forces in the same key.

The Semper-Oper in Dresden in for example, pressed so hard by same forces in the same key.

The early quintet is less even, and as a whole less striking that the later — but all Vinterreise, accompanied by

control of the medium and the Schreier's voice is a marvel of flexibility, delicately shaded, exquisitely tuned; the diction is faultless. But the very scale and emphasis of his interpretation, clearly employed on this public occasion to project an intimate chamber work such as Winterreise into the lofty spaces of an opera house, has an intensity and a relentlessness that are much less acceptable and far less effective translated out of their original context and heard from

a distance of a few feet on the record-player at home. At such close quarters, indeed. Schreier's relentless search for expressive nuance in every measure, almost in every note, at first so vivid and arresting, proves quickly overwhelmthe heroic cast of the reading, the very wringing pathos of its biggest climaxes, seem better suited to the Wagnerian stage than a Schubert song-cycle. The tempos of the faster songs are sometimes unusually fast, and of the slower songs sometimes memorably slow. The opening song of the cycle, "Gute Nacht," seems set to achieve the marvellous timeless stillness of one of Richter's

had not introduced quite so many expressive ritardandi at the ends of phrases, just tipping the balance. The effect of Richter's accom-paniments is by and large to redress the expressive im-

frenetic and heroically Siegfriedian climax—wonderfully harmonic gestures. impressive in its way, but in a chamber context bewilderingly nearly twice the length of op 5.

relevance to American social descriptions. The American the production plays into issues: the architect's dilemma cast is led by Glenn Close with America's suddenly-discovered in displacing people to put up a deflated Mary Beth Hurt and concern about South Africa

science which would have been well-meaning blandness for flict between two black

assumption

of the original been kept the other people's social concerns Mokae as a jazz musicism and

play might have had some is closer to the mark in Blood turned him into an actor; the

curiosity value here. Instead its Knot at the John Golden, a best scenes of the play have a

dramatic shortcomings are revival after a quarter of a feeling of improvisation where emphasised: it fails to get century of the play that estab-beyond the private life of the lished Athol Fugard as the times without words, in an inter-

wrong.
"Einsamkeit" is only the twelfth of the 24 songs of that point that the sensibility finally sets in. I eventually managed to finish listening to the third and fourth record sides by attempting to cut out tones of "Das Wirtshaus," the lished.

ghostly timbres, half bell, half reed, of "Der Leiermann." both in A major, stand at either end of his career. Op. 5 dates finale, from 1872, at a time when Beetho himself from the weighty infinence of Wagner, but still seeking to establish his own, it 15 years later, in the same same forces in the same key.

The early quintet is less it half as much.

even, and as a whole less strik-

Richter's otherwise unimpeach-able preference? Technically, of course, the two performers "Auf dem Flusse" and prising invention. The sudden "Rückblick" which call for the quiet interludes of the first are finely matched, each as com-lightest (and thus in effect the movement, a murmur of instru-manding as the other in his most expressive and chilling) mental voices heard from afar, emphasis are kept affoat, where presage the lovely Dumka of Schreier weighs them down, by the later quintet op S1. The Richter's masterly restraint, hymn-like andante is intro-Richter's six bars of piano intro- duced by the piano, into whos duction to "Einsamkeit" set a organ texture the strings magic scene of perfect tempo giusto ally insinuate themselves bedesolation, wrenched out of fore winding the melody by joint by Schreier at his first slow degrees, to a heady climax entry, and driven by him to a The finale is plainer stuff, woven with some quite daring Op 81 is a substantial work,

brothers, one of whom can pass

Fugard originally discovered

Frank Lipsius

unfolded with the ease and confident pungency that are the hallmarks of the finest Dyorak. Winterreise, but it is at about The second-movement Dumka especially, in which ethereal is overwhelmed and exhaustion musing alternates with wild dance, is one of Dyorak's most splendid and original chamber creations. The Borodin account with Richter, recorded Schreier's exquisite bombast live at the Prague Festival in entirely, and concentrating in- June 1982, must have been one stead on the many dert occurred the carriest public engagements of the accompaniment—the carriest public engagements of "Im with violins Valentin Berlinksy Shehalin: and the delicate rumblings of "Im with violins Valentin Berlinksy Dorfe," the perfect cantabile and Dmitri Shebalin; and the voice-leading of "Der Weg- remarkable quality of the new weiser," the chorale-like organ- group is already firmly estab-

hostly timbres, half bell, half the sparky scherzo, framing eed, of "Der Leiermann." its little "Furiant" trio, is Dvorak's two piano quintets, spun off by the strings with oth in A major stand at oither. splendid knife-edge bounce; the with its insistent Beethovenian echoes, is driven Dvorak was beginning to free forward with irrepressible momentum. The warmth and sparkle of this performance as well as the clarity of its original voice. He discarded articulation—are in many ways the score, but returned to revise a revelation: I have heard Dvorak's late piano quintet played maybe half a dozen times by different ensembles, but never esteemed or enjoyed

Dominic Gill sations, like the National Heri-

and

There is that other World Cup in Mexico, of course, but Als Vye's interest is lacrosse. She is chairman of England selectors; she will watch the English divisional championships at Harrogate with the keen eye of a Bobby Robson in a similar hot seat at Wembley.

If I were giving odds, I would say that England's women lacrosse players are in with a better chance of snatching a world trophy than our soccer players in Mexico. Ms Vye is not over-confident-the United living a hard professional life States team holds the cup—but lacrosse experts feel that one of the other five competing nations, England, Scotland, Wales. Canada or Australia, may upset the triumphant American team this year.

Ms Vye accepts that lacrosse is one of sport's Cinderellas. She reflects upon the lack of Indians and reported: "The media coverage, the problems

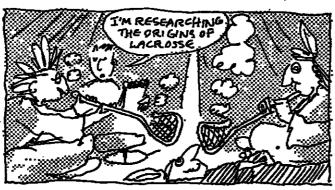
Alan Forrest watches a world class English lacrosse team

No feather beds for the ladies

age sports fan lacrosse lacks, or seems to lack the drama, colour and action of the more popular team ball games.

Girls who go to Philadelphia
to play will not be featherhedded like soccer stars. Even with fringe sponsorship—some help with air travel, for example—each girl may have to spend about £300 out of her own pocket for the privilege of showing the flag in Pennsylvania. They are all amateurs, many of them physical educa-tion students and teachers while keeping up their lacrosse to international standards.

Lacrosse has had a most respectable development in Britain. It even gets a mention in Queen Victoria's diary. She watched a game at Windsor on June 26 1876 between 14 Canadians and 13 Iroquois



there is much running." She was touched by the Indians addressing her as "our good Mother," it all reminded her of

Longfellow's Hiawatha. Lacrosse was first played by the Iroquois Indians as a war

beginners: "Elbows, hands and to watch when a team's dirty tricks department is putting the stick in.

Women's lacrosse is a slightly different ball game. The rules game. (Present-day players say forbid the body contact allowed that it still is.) It is certainly a in the men's game. But dashing tough game. Eddie Scrine, a around with a long hard stick media coverage, the problems game was very pretty to watch. Surrey player of men's lacrosse, with a net on the end still pro-of finding sponsors for a game. It is played with a ball and talks of a golden rule for vides manu opportunities for

girlish malevolence. One male player says: "We once played a charity match against a women's team and they just about murdered us with their subtle

bits of violence." Some regard it as a game for people who have failed at rug-ger, soccer, or hockey. Regular players smile tolerantly at this attitude: "Any game where you've got to cope with a hard rubber ball flying around at about 100 mph isn't a soft game," says Strine. "It's a chal-lenge to skill and team spirit and commitment.

from Lancashire and Cheshire. Why this is so is not quite clear. but there have been occasions when a Lancashire team has beaten the whole South region. In the women's championships the North and South teams have dominated, but at Harrogate, this weekend, a surpirse may be sprung by the Midlands team which includes several girls

just returned in splendid form from a British tour of Aus-

herents claim, is a more flow-ing, exciting and intelectual game than the men's. It moves faster, stoppages are fewer and the girls still play com-paratively unprotected; recent developments in the men's game, on the other hand, mean that men players now turn out heimetted and shoulder-padded like an American football team. Scrine says there are signs of "creeping professionalism." He does not imply anything so de-plorable as "boot money," only that, in America particularly, the rise of the supercoach, playing lacrosse from the beach, is making the men's game less of a jolly day out.

But Scrine believes the game The best teams, in both women's and men's games come does Wendy Vye. "The social does Wendy Vye. "The social side is marvellous." Scrine says. the kind of friendly aftermatch atmosphere once asso-ciated with rugby." Ms Vye talks of rising interest in the girls' schools.

Meanwhile, the debt to those Canadian Indians is still acknowledged. The top English trophy for the men's game is

Letter from Lisbon

Short on soap

DISASTER struck seven million Portuguese viewers last Friday. RTP, the national television network, mistakenly screened episode 148 of the marathon Brazilian soap opera. Louco Amor (Mad Love), instead of spisode 144.

A presidential election, the chaotic advent of VAT, and hot water heaters that choke themselves into a stupor every three weeks because of the impurities in Lisbon's town gas, paled into insignificance beside that catastrophe.

First, long-suffering families had to munch their VAT-inflated fried fish fingers through 40 minutes of election propagands—10 minutes for each of the four candidates.

The 14th nightly sighting of estatic crowds, gushing personal endorsements and solemn discourses by candidates should have been followed by an eagerly awaited moment: expul-sion from a smart Rio de Janeiro fiat by nervous Manda, editor of the Social Register, of parasitic Patricia who almost got gullible Guilherme, Manda's millionaire magazine magnate son, to marry her.

That moment opened episode 144. Instead, surprised viewers saw avaricious Agetilde, schem-ing stepmother of parasitic Patricia, coaxing her craven chief cook and father, Agenor, to do another dastardly deed four episodes on. -

RTP is still apologising-with a solemnity normally attached in state visits—a measure of the importance of imported soaps, a slow form of drugfree hypnosis that first capti vated the Portuguese in 1976; after the undiluted propaganda new tax. during the revolution.

realism and Barbara Cartland's breathtaking flower - scented romance, Mad Love has 20 or so episodes to run. For the sake of a public temper strained by three elections in four months, and their accompanying hours of air time for candidates, it is hoped no one mixes up the remainder.

Brazil, not being a member of the EEC, is innocent of the mixed delights of VAT. Portu-gal was initiated on January 1 when it tiptoed apologetically into the Community without of VAT. fanfare or festivities.

12.20 am News at Bedtime.

(S) Stares on VHF

YORKSHIRE

RADIO

BBC RADIO 2

Since that day, more adven-



turous providers of goods and services have been having a little fun with bewildered con-sumers. Same taxi drivers, whose service is VAT-exempl, tried to collect an extra 8 per cent from their pasengers. And instead of bringing down prices of cosmetics and other luxuries that carried 60 per cent sales tax and now carry a more modest 30 per cent VAT, some tradespeople added 30 per cent.

Shoppers in the strongsmelling fish market near the Lisbon docks also found them selves charged VAT, although fresh food—fish, meat, fruit and vegetables—is exempt.

However, only the most heroic shopper argues with a muscular Lisbon fishwife sporting biceps and calves that rival Arnold Schwarzenogger's, and a voice that carries from the docks to Black Horse Square without benefit of loudspeaker. Instead, consumers flock with their combinints to a VAT service set up to help the public and honest traders through the first traumatic months of the

Some distraught passengers A cross between Dickensian actually believe taxi drivers should pay them to travel in the battered, elderly green and white Mercedes that fing themselves at other vehicles like buils charging a torero.

Your shoulder has not lived

Private View

Cameras could make it clearer

IF THE Westland affair has excited mood was allowed to been fairly clear, even to the most, and here again pictures achieved nothing else in the pour out of the sound system uninitiated, what was going on. from the House would have past week it has provided a with only still photographs and vivid illustration of the folly of artist's caricatures as visual banning television cameras from accompaniment, the result was the House of Commons. The disastrous. niost dramatic and damning examples occurred during started her reply there were Monday's set-piece dehate, the frequent interruptions, someworst moments coming at the times from seated members of very start when Neil Kinnock the Opposition whose voices opened for the Opposition.

life difficult by beginning with accusations of "dishonesty" with phrases such as "No. I accusations of "dishonesty" with phrases such as "No, I which he must have known will not give way, now" and would cause an outcry, and admittedly the Speaker then exerted too little authority; a lamentable combination of failures. And yet in the impression conveyed to the British electorate via television (the public gallery being somewhat too small for 50 million of us) disaster might so casily have been avoided if only we had been able to see what was happening rather than merely

of the Chamber in its most inside the House it would have

When the Prime Minister were audible without the words Admittedly his speech was a being clear either on television, oor one, admittedly he made or on radio. Then increasingly I am sorry, I do want to finish this section." Again most viewers were doubtless baffled, especially if they were watching the BBC which offered no explanation. To his credit Peter Sissons on Channel 4 occasionally interjected "Tam Dalyell on his feet again" so that at least those familiar with Parlia-mentary procedure realised what was happening.

The point is that if the cameras, instead of showing us the traffic pouring round Parlia-When all the noise and fury ment Square, had been stationed

would still have been obvious fight which sound alone

suggested.

These days, of course, tele-vision serves two distinct functions on such occasions. First it covers the event live, in "real time," and then it provides edited coverage-" wrap-ups "for various news bulletins and more reflective current affairs programmes later in the day. It was noticeable on Monday that while Mrs Thatcher, Michael Heseltine, David Owen and others were heard at length on these later programmes, speaking for themselves and accompanied once again by still photographs. Neil Kinnock's contribution took the less impressive form of reported speech or very brief extracts.

No doubt the low standard

uninitiated, what was going on. from the House would have The volatility of the occasion saved the day. The way in which the availability of sound but viewers would also have without pictures now influences been able to tell that this was not only the quality of news not the wild and childish bun-coverage but — far more important-its contents, could hardly have been foreseen when the present dreadful compromise system of broadcasting Parliament evolved.

Furthermore, and worst of

all for the future of Parliamentary democracy, because of the absence of proper footage from inside the House television tends increasingly often to stage miniature versions of the day's debate within its own representations of Westminster's activities all would be well, but far too often what we chosen not so much because they typify feelings in the of his speech was partly to House but because they can be



Visible: Heseltine

contributions are still very highly regarded inside Parliament, is practically never seen on television nowadays.

with John Nott and Cecil Of course television would Parkinson whose political con-tributions have not been among continue to mount its own polistudios. If these were accurate tical programmes even if the cameras were allowed into the House. However, the longer the cameras are excluded, the more the longer the public are pre-vented from using television to see is the familiar gallery of the broadcasters will tend, faces - Roy Hattersley, consciously or not, to promote observe their elected repre-David Owen, Norman St John- and concentrate upon their own Stevas and so on-who are alternatives. Channel 4's Face sentatives at work in West-The Press (ironically and deplorably under sentence of death) featured the Prime blame, but I suspect it was the relied upon to delivery in the Minister last week, speaking on confusing background noise artificial surroundings of a the day before the Parliawhich upset the news editors studio. Michael Foot, whose mentary debate and looking

shift away from the Parliamen-tary cockpit and into the television studios.

minster, the more influence will

Invisible: Foot

evasive because she was so

intent upon keeping her powder dry. Newsnight on

Thursday included interviews

the most important during the

It begins to seem as though

Westland affair.

Christopher Dunkley

TELEVISION AND RADIO

F.T. CROSSWORD PUZZLE No. 5.937

Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the carelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

15 Mexican dish left in tumble-

17 Nimble scotsman taken in,

22 Visit outskirts of Dolgelly-

Solution to Puzzle No. 5,936

TRUMPETER PRESS
A M A E E E A X U
SIDES RELEGATES
TE TRA E O P
E PSOMSALTS FLEE
I A I E O N
UPRISEN DELETED
N E T UR E
ENDLESS PREMIER
A A P F
RATE ALLTHESAME
HERMITAGE GRIME
E S S G R I A N
DRESS EASILYLED

Solution and Winners of

Puzzle No. 5.931

rather run-down (5)

down hacienda (9)

ACROSS

- 1 Fashionable attempt to embrace ambition (6)
- 4 Such endless air trouble he had, flying too high (6) 8 Mendelssohn's fourth, the Italian, with novel title- 21 A route north of birds (5)
- what a plight! (7) 9 Classic year (7)
- II Train speed upsets me—I will walk (10) 12 Name a miniature railway? Never in the country (4)
- 13 Plant collection offered for sale by America (5)
- 14 Green toa brewed for a youngster (8)
 16 Light fantastic experience?
- 18 Boat skill (5) 20 Superior to General Kitch-
- ener, say (4) 21 For such skill in throwing darts, noise must be con-
- trolled (10) 23 Star to look back in tango capital (7)
- 24 Pattern of earnings includes man, we hear (7)
- 25 Navigational instrument without top, but still in use
- 26 Lots of stars slack in camp

DOWN

- 3 Steam dies away in a small coffee (9) 5 This mound of stones can
- entomb lrish (5) 6 Domed building, sonorous ney, Channel Islands.
- one (7) 7 But it does not have a cube- Thames, Surrey.
- root! (5-1)
- 10 Delivery stamp? (9) 13 Hoe almost broken - how horrible! (9)
- 1 Thin material for poet's 2 He is one (7)
 - Mrs L Astley. Blackpool. Mr Andrew Eggleston, Alder-

The second secon

- Mrs F. Ward, Kingston-on-Mr D. MacLaghlan, Currie,
- Edinburgh: Mr E. W. Timmins, Handsworth Wood, Birmingham.

SATURDAY

8.30 am Munter's Gold. 8.55 Bananaman. 9.00 Saturday Superstore. 12.15 pm Grandstand including 12.45 News; Football Focus; Skiing Irom Switzerland; Snooker (Benson and Hedges Masters); Rugby Union: Wales v Scotland Irom Cardiff, and highlights of France v Ireland in Paris; Skating (European Championships) and at 4.40 Final Score classified results. 5.06 News. 5.15 Regional programmes. 5.20 Jim'll Fix It. 6.00 The Neet Edmonds Late Late Breakfast Show. 6.50 Les and Dustin's Laughter Show. 7.25 Strike It Rich! 8.30 am Hunter's Gold, 8.55 Banana

and Dustin's Laughter Show. 7.25 Strike it Rich!
8.15 The Two Ronnies. 9.05 News and Sport. 9.20 Snooker: The Benson and Hedges Mesters (second semi-final). 11.05 European Figura Skating Chempionships from Copenhagen. 11.30 The Horror Movie: "Blood Beach."
John Saxon, David Huffman and Manana Hill ster).

BBC 2

8.40 am Open University. 11.56m Film: "Firth Avenue Girl." starring Ginger Rogers. 3.15 Film: "The First Travelling Salesledy," starring Ginger Rogers, with Carol Channing and Barry Nelson. 4.36 Snooker (Jurther coverage from the Benson and Hedges Masters at Wembley Conference Centre). 6.30 Doutsch Direkt 5.55 Horizon. The Mould, The Myth and The Microbe, 8.45 Newsview. 7.25 International Pro-Celebrity Golf. Arnold Palmer and Gary Player se joined by Jimmy Terbuck and Sean Connery. 8.15 Sondheim on Broadway. 9.50 Saturday Review. 10.45-12.55 am. 9.59 Saturday Review, 10.45-12.55 am Film International: "Clean Slate" (French film with English subtities).

LONDON

but fighting back (7) 6.55 am TV-sm Breakfest Programme. 19 One cannot recall having it

9.25 No 73, 11.00 Terrahawks, 11.30 Small Wonder, 10.39 Mr Smith, 12.00 News, 12.05 Saint and Movie: "The Mechanit:" Greavais, 12.30 Wrestling, 1.20 Airwolf, At The End of the Day. 2.15 Benson. 2.45 lce Skating—Euro-pean Figure Championships. 4.45 l Results Service. 5.00 News. 5.06 Block-busters. 5.35 The A-Team. 6.30 The Grumblewoods Show. 7.00 The Price is Right. 8.00 Hunter. 9.00 News and Sport. 9.15 Tales of the Unexpected. 9.45 Aspet and Company. 10.30 LWT News Headlines, followed by "Walten-tand The Loss Hem" example Richard

CHANNEL 4

1.15 pm Channel 4 Racing from Sandown, 13.20 "Fortune is a Woman," Sandown, 13.20 "Fortuns is a Women,"
(Jack Hawkins stars), 5.05 Brookside
Omnibus, 6.00 Family Ties, 8.30
Unforgettable, 7.00 News Summary,
followed by Chinese in Britain, 7.30
Hell and High Water, 8.30 Saturday
Live, 10.00 Hill Street Blues, 111.00
"The Old Dark House" (Bons Karloff
stars), 112.20 am "Dracule's

REGIONS

S4C WALES

ANGLIA

berg: The Lost Hero," starting Richard Chamberlain. 12.15 am Martows— Privata Eye. 1.15 Night Thoughts with Dr Stephen Bigger.

stars). †12.20 am Daughter."

1.15 pm Recing from Sandown, 2.15 Rygbi Rhyngwladol: Cymru v Yr Alban. 4.65 World of Animation. 14.20 Festure Film: "The Rake's Progress," starring 4.65 World of Animation, 14.20 Feature Film: "The Rake's Progress," starring Rex Harrison with Jean Kent, Griffith Johns, Lit Palmer and Margaret Johnston, 6.35 How Doss Your Garden Grow, 7.05 Hwylibwrli, 7.30 Nawyddion 7.45 Sturmau, 8,15 Byddin Y Teigr, 9.15 Y Maes Chwaerse, 10.35 Chence in a Million, 11.05 Saturday Live, 12.30 am Brothers.

REGIONS

CENTRAL

IBA Regions is London except at the following times:— 11.30 am The Flying Kiwi. 2.15

BORDER

11.00 am The Greatest American Hero. 2.15 pm Small Wonder. 5.06 Mind Your Language. 10.30 The Bronson Movie: "The Mechanic."

CENTRAL 11.00 am Ice Skating: Europea Figure Championships from Copenhagen. 2.15 pm Smell Wonder. 5.05 Mm Your Language. 8.90 T. J. Hooker. 10.30 The Bronson Movie: "The

CHANNEL

11.00 am The Greatest American Hero. 11.59 Today's Weather. 2.15 pm Supercer I 10.30 The Bronson Movie: "The Mechanic." GRAMPIAN

11.30 am The Greatest American Hero. 2.15 pm Small Wonder. 10.30 The Bronson Movie—"The Mechanic." 12.20 am Reflections. GRANADA

11.05 am The Greatest American Hero, 2.15 pm Mind Your Language. 5.06 Candid Camers. 10.30 Allstar Mackean's "Bear Island." starring Donald Sutherland and Vanessa Red-grave. 12.35 am BB king Live.

111.05 am Fireball XLS, 11.30 Captah

Scarlet and the Mysterona, 11.58 HTV News, 2.15 Happy Days, 5.05 Mind Your Language, 10.30 The Bronson Movie; "The Mechanic."

11.00 am The Glan Michael Caval-cade. 11.45 BFA Short. 2.15 pm Small Wonder. 8.00 T. J. Hooker. 10.30 The Bronson Movie. 12.20 am Lete Call.



TVS

9.25 am Fisheries News. 9.35 No. 73. 11.00 Gus. Honeybun's Magic Birthdays. 11.03 Freeze Frame. 11.57 TSW News. 2.15 Bullsays. 5.05 Newsport. 5.1 Blockbusters. 10.30 The Bronson Movie "The Mechanic." 12.20 am Postscrip

11.00 am The Greatest American Hero. 11.57 TVS Weather. 2.15 pm Supercar I 10.30 The Bronson Movie; "The Mechanic," 12.20 am Company. TYNE TEES

11.00 am Morning Glory, 11.05 Skat-

Lee Remick in "Sondheim on Broadway,' BBC-2, 8.15 pm

BBC RADIO 2
8.05 am David Jacobe (S). 10.00
Sound of the 50s with Keith Fordycs.
11.00 Album Time (S). 1.09 pm Ken
Dodd's Palace of Laughter. 1.30 Sport
on 2 including Rugby Union: France v
Ireland and Wales v Scotland:
Football: Cricket: Snocker and at 5.00
Sports Report. 6.00 Folk on 2. 7.00
Best the Record. 7.30 An Evening of
Popular Classics (S). 9.30 Sring
Sound (S). 10.05 Martin Keiner (S).
12.05 am Night Owls introduced by
Dava Gelly (S). 1.00 Jean Challes
presents Nightnobe (S). 3.90-4.00 A
Little Night Music (S).

BBC RADIO 3 7.00 am News. 7.05 Aubede (S).
9.00 News. 9.05 Record Review (S).
10.75 Starco Release (S). 11.45 St
Louis Symphony Orchestre (S).
(12.25 pm Interval Reading). 1.00
News. 1.05 Paul Crossley plano recital
(S). 2.00 Withelm Furtwengler. (Mono

ing (The European Championships).

2.15 pm Supercar, 5.05 Mind Your Mozart and Mendelssohn Language. 10.30 The Bronson Movie:

The Methanic. 12.25 am Pont's Requests (S). 5.05 Jazz. Requests (5)... 5-45. Chites' Forum, 6,35 Music For The Iron Voice (5). 7-30 Englishmen (5). 3-15. Katys Kabanova." opera by Janacek with Eilene Hannan in the title rôle, sung in English, Acts 1 and 2 (5). 9-30 Murdenng Your Text. 9-50 "Kerys Kabanova." Act 3 (5). 10.25 Martino Tirmo (5)... 11.00 Music of Cetalonia, 11.57-12.00 News. 11.00 am The Beron, 11.58 Lunchtime News. 2.15 pm Small Wonder, 5.08 Ulster News. 5.10 Candid Camera. 8.00 T. J. Hooker, 9.13 Ulster News. 10.30

BBC RADIO 4 .

11.00 am The Baron, 2.15 pm Small Nonder, 5.05 Ask No Questions, 8.90 F. J. Hooker, 10.30 The Brenson Movie: "The Mechanic."

7.00 am News. 7.10 Today's Papera. 7.15 On Your Ferm. 7.45 In Perspec-tive. 7.50 Down to Earth. 7.55 Weather: Trevel. 8.00 News. 3.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliement. 8,57 Westher, Travel. 9.00 News. 9.05 Breekeway. 9.50 News. Stand. 10.05 The West. 1 in Westminster by Peter Riddell of the Financial Times. 10.30 Loose Ends with Ned Sherrin and studio guests. 11.30 From Our Own Correspondent. 12.00 News. 10.00 News. 12.27 pm. Just A Minute (5). 12.95 Westher. 1.00 News. 1.10 Any Questions 7 1.55 Shipping Forecast. 2.00 News; The Afternoon Play (S). 3.00 News; International Assignment. 3.30 The Saturday Festure: Brits Abroad—Destination Australia. 4.15 Kipling Around The World. 4.45 Persons Grats. 5.00 The Living World: 5.25 Week Ending (S). 5.59 Shipping Forecast. 8.56 Westher: Travel. 6.00 News: Sports Round-up. 6.25 Solomon Grupdy. 6.59 A Sidaways Look At by Anthony Smith. 7.05 Stop The West with Robert Robinson (S). 7.45 Bakers Dozen (S), 9.38 Westher. 10.50 News. 10.15 Evening Service (S). 10.90 Opinions. 11.00 Science New. 10.39 In One Ear (S), 12.00-12.15 am Yesterday in Parliement, 8,57 Weather;

SUNDAY

6.45 am Open University, 8.55 Play School. 9.15 Articles of Faith. 9.30 This is the Day. 10.00 Asian Magazine. 10.30 The Interview Game. 10.55 Deutsch Dirakt! 11.20 Tele-Journal. 11.45 Nothing but the Best. 12.10 pm See Hear! 12.25 Ferming, 12.58 Weather News for Farmers. 1.00 This Week. Next Week. 2.00 EastEnders. 3.00 The World of Dogs.
3.30 Snooker. 5.30 Mupper Magic. 8.40 The Living Isles. 6.20 You Are What You Est. 6.30 News. 6.40 Songs of Praise. 7.15 Snooker (Benson and Hedges Masters: The Final). 7.45 Bluebell. 8.40 Snooker. 9.30 News. 9.45 Ther's Life. 10.30 Everyman. 11.05-12.25 am Snooker.

BBC 2

9:20 am-1.55 pm Open University.
2.00 International Rugby Special. 3.00 ingrid 4.05 The Great Art Collection.
4.40 Besthoven Sonatas for Calic and Phane. 5.00 Europeen Figure Skating Championships. 5.45 Ski Sunday, 6.30 The Money Programme.
7.15 The Natural World: Skyhuntara.
8.05 Comrades: The Laningrad Sphins, 8.50 Thinking Aloud. 9.30 Architecture at the Crossroeds. 10.10 Under Seil. - 10.30-12.10 am Screen Two: Frankis and Johnnie,

LONDON

8.55 am TV-am Breaklast Programme.
9.25 Wake Up London. 9.25 Woody and Friends, 9.45 Snooper and Blabber. 19.00 Morning Worship. 11.00 Link, 11.30 A Hentege from Stone.
12.00 Weekend World. 1.00 pm Poince 5, 1.15 The Smuris. 1.30 Joania Loves Chachi. 2.00 LWT News Headlines followed the Escapeter. Chach, 200 (W) news readenes rollowed by Encounts.

2.30 The Big Match Live—West Hem United v Manchester United. 4.30 Survival. 5.00 The Heturn of the Antelogs.

5.30 Bullseys. 6.00 Albion Market. 6.30 News. 6.46 Highway, 7.15 Catchphrase.

7.45 Surprise Surprise. 8.45 Crazy Like a Fox. 9.45 News. 19.00 Spirting Image. 10.30 The South Bank Show. 11.30 LWT News Headlines followed by the Search for Wealth. 11.55 Show Express. 12.25 am Night Thoughts,

9.25 em Today's Weather, 9.26 Starting Point, 9.30 Les Francais Chez-Nous, 9.45 Cartoon Compilation, 1.00 Gardens For All. 1.30 Farm Focus, 4.30 Survival, 4.55 Puffia's Pta(i)cs, 11:30 Marlows—Private Eye, CHANNEL 4 1.00 pm Irish Angle presents Hands, 1.30 Feca the Press, 2.00 Pob's Programme, 2.30 Matines From the Met:

"L'Elisir d'Amors" (in Italian with English subuties), 4.45 Chinese in Britain: Vote for Wong, 5.15 News Summery followed by The Business Programme, 5.00 Australian Rules Football, 7.00 Men and Music: Composer and Court. GRAMPIAN

and Court. 8.00 A Sense of Piace. 8.30 Kipling. 110.00 "A Kind of Loving" starning Alan Batas with June Ritchie and Thora Hird. 112.10 am " Scotland Yard."

S4C WALES 1.35 pm From the Inside—The Unions, 2.05 Matines at the Met:
"Simon Boccanegre." 4.50 Dilyn less. 5.15 The Business Programme. 6.00 Australian Rules Football. 7.00 Shades of Grean. 7.10 Superted. 7.20 Newyddion. 7.30 Adroddiod Snecer. 8.00 Hywal gwynfryn. 8.35 Dachrau canu. dechrau cannod. 9.05 Noi i s-Hertogenbosch. 10.00 Snecer. 111.30 Festure Film: "Bermuds Mystery." GRANADA

ANGLIA the following impes:

9.30 am First Sunday, 11.00 pm The
Beverly Hilbillies. 1.25 Weather Trends.
1.30 Farming Diery. 4.30 Candid
Cemera. 11.30 Mariows—Private Eys.
12.30 am Anthology.

BORDER 9.25 am Gardening Time, 9.56 Border Diary, 1.00 pm Terrahawks, 1.30 Farming Outlook, 4.30 Captain Scarlet,

GRAMPIAN

9.25 'em Cartoon, 9.20 Living and Growing for Adulta 19,00 Fiesball XLS.

10.30 A Personal View (Baroness Carnegie). 1.00 pm Farming Outlook. 1.30 Horses for Courses. 12.30 Feature Film—" Union Station". (Williem Holden, Barry Fitzgerald and Nancy Olsan star). 4.00 Bullasye. 4.30 Return of the Antelope. 5.00 Scotsport. 11.30 Marlows—Private Eys. 12.30 Reflections.

S.25 am Max the 2000-yeer-old Mouse 9.30 Brinsh Achievement 11.00 A Heritage from Stone 11.25 Aep Kea Hak. 11.30 This is Your Right. 1.00 pm Wish You Ware Hare . ? 1.30 The Fall Guy. 4.30 Encounter, 11.30 Marlows—Private Eye,

HTV -TLY
- 9.25 cm Jayce and the Wheeled Werriors. 9.50 Science International, 1.00
pm Gardening Time. 1.30 Farming
Welss followed by Westher for
Farmers. 4.30 The Protectors. 6.36
HTV News. 11.30 The New Avengers.
HTV Wales—As HTV West except:
1.00-1.30 pm Celebration.

SCOTTISH 9.25 am Foo. Foo. 9.35 A Heritage from Stons. 10.00 Sunday Documen-tary. 10.30 Sunday Service. 11.30 Encounter. 1.00 pm Terrohawks, 1.30 Farming Outlook. 2.00 Tell the Story. 2.15 By the Way. 2.30 The Fall Guy. 3.30 Diff

9.25 am Link followed by South West Link. 11.00 A Heritage from Stone. 11.25 Look and See. 11.30 The South West Week. 1.00 pm Gardens for All. 1.30 Farming News. 4.30 The Return of the Antelope. 5.00 Gus Homeybun's Megic Birthdeys. 5.03 Falcon Crest. 11.30 Postscript Diery, 12.00 Postscript Postbao.

TYNE TEES

19.25 am Firebell XL5, 9.50 Sunday Lookaround 9.55 Morning Glory, 1.00 pm Farming Outlook 1.30 Wish You Were Here . . . ? 4.30 Small Wondor, 11.30 Epilogoe₄ ULSTER 10.40 am Advice with Anna Hailes.
12.58 pm Lunchtme News. 1.00 Ferming Ulatur. 1.28 Ferming Weather. 1.30 Bygones 4.30 The South End of Kintyrs. 5.38 Ulster News. 9.57 Ulster News. 11.30 Sports Results. 11.35 Festival Folk (Freddle White). 12.00 News at Bedtime.

YORKSHIRE 9.25 am Regional Wasther Forecast followed by Link, 11.00 A Heritage from Stone, 11.30 Ferming Diary, 1.00 pm Man in a Suitcasa, 4.30 The Return of the Antolope, 5.00 Richard Clayderman, 11.30 Mariovo—Privata Eye. 12.30 am Five Minutes.

RADIO

BBC RADIO 2

(S) Stereo on VHF (S) Stereo on VHF
7.30 em Roger Royle says Good
Moraing Sunday (S). S.05 Melodies
For You (S). 11.00 Desimond Carrington with your Radio 2 All-Time Greats
(S), 1.00 pm Giona Humford Presents



" Richard II " Radio 3, 7 pm

Two's Bast (S). 2.00 Benny Green (S). 2.00 Alan Dell with Sounds Easy (S). 4.00 Jazz Classics in Steren (S). 4.00 Jazz Classics in Steren (S). Stechnot: Louis Armetrong. 4.20 Sing Something Simple (S). 5.00 Charife Chester. 7.00 Mooney's Mondey Megains, 7.30 Tho. Gentle Touch. 8.00 Black Megic Stenley Black, his plano, percussion and strings. 8.30 Sunday Haif-Hour. 9.00 Your Hundred Beat Tunas Introduced by Alan Kaith. 10.06 Songs from the Shows presented by Richard Clegg. 10.30 Acker's Away. 11.00 Sounds of Jazz with Perer-Cieyton (stereo from midnight): 1.00 am Jean Challis presents Nightride (S). 3.00-4.00 A Little Night Music (S). BBC RADIO 3 7.00' am News. 7.05 The Court of Mannhem (5). 8.00 Mischs Elmen (violinist), 9.00 News. 9.05 Your Concert Choice (S), 10.30 Music



John Hurt in

Weekly (S). 11.15 Ernst Knwecic and John O'Coner (S): 12.15 pm From the Proms 88: Polish Chamber Orchestra Conducted by Jerzy Meksymink, part 1: Mozart Hitchcock, 1.05 Concert, part 2; Bertok, Haydn (S). 2.00 Yonty Solomon plano rectal (S). 2.00 Yonty Solomon plano rectal (S). 2.45 Sibelius and Nielsen—BBC Symphony Orchestra conducted by Berglundt Stbellus (Tapicla and the Volin Concerto, with Boris Belkin); 3.40 Interval Rasding; 3.45 Nielsen (Symphony No 4, Inattinguishable) (S). 4.25 BBC Singers (S). 5.15 A Study in Excitor. 6.00 The Toestra of Memory by John Buller (S). 7.00 Richard III Shakespeare's play with John Hurt in the title tole (S), 8.25 A Baroque Festivel (part 1), (S), 18.05 Curstes and Conquests, 10.25 A Baroque Festivel (part 2), (3), \$1.00 Kerl Hess Conducts (S), 11.35 12.00 Kerl Hess Conducts (S), 11.35 12.00 Kerl Hess

المراجعين وللشرارة الكالوك والمراكبة عدارة الرواعيات والرواز المحارزة

Festival (part 2) (S). \$1.00 km² Hass Conducts (S). \$1.57-12.00 News.

BBC RADIO 4

- 8.00. am News. 8.10 Sunday Papers.

8.15 Sunday 8.50 Jonathan Cimbleby talks. for the Week's Good Cause, about the Coronory Preyented Groop.

8.55 Westher: Travel 9.00 News. 8.10 Sunday Papers.

9.15 Lettar From.

America by Allsteir Cooke. 5/

Morning Servica. From St. Michaeld Parish Church. Linilthquer. 10.15 The Archers (Omnibus edition). 71.18 Pick of the Week (S). 72.15 pm Desertibian Disca (S). 72.25 Wasthet. 1.50 The Archers (Omnibus edition). 71.18 Pick of the Week (S). 72.15 pm Desertibian Disca (S). 72.25 Wasthet. 1.50 The Arternoon Play (S). 4.00 News: Gardenser' Question Time. 2.30 The Arternoon Play (S). 4.00 News: Origins. 4.30 The Natural History Programme. 8.60 News: Travel. 5.05 Down Your Way visits East Grinsred in West Sussell. 5.50 Shipping Forecast. 5.55 Westher. 8.00 News: 8.15 Westhed Woman's Honr. 7.00 Travel. The Mystery of the Blue Train: Agatha Christis (S): 7.38 Proble 7.45 Time of Your Life. 8.00 Bookshelf. 8.30 Law in Arigin. 8.06 News: Juda the Ghaute. by Thomas Hardy (S): 8.55 Westher. 10.00 Beters the Ending of the Say (S). 11.15 in Committee. 32.00-12.18 Em.

